

TARAI FOODS LIMITED

Regd. Office :

13, Hanuman Road, Connaught Place,
New Delhi-110001 Tel.: 0120-2485183

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CIN No. : L15142DL1990PLC039291



Tarai

25th
ANNUAL REPORT
2014 - 2015

Tarai Foods Limited

TARAI FOODS LIMITED

Board of Directors	Mr. Gurprit Singh Sandhu Mrs. Kiran Sandhu Dr. R.P. Singh Mr. Vijay Jolly Mr. M.S. Garewal Mr. Hakam Singh	(Managing Director) (Director) (Executive whole time Director) (Director) (Director) (Director)
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Audit Committee, Nomination & Remuneration Committee Stakeholder Relationship Committee	Mrs Kiran Sandhu Mr. Vijay Jolly Mr. M.S. Garewal Mr. Hakam Singh
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Auditors	Rattan Anil & Co. A-90, Gali No.6, 1st Floor, Madhu Vihar Market, Patparganj Bus Depot, Delhi
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Bankers	Axis Bank Ltd. B-6, Lajpat Nagar-II, New Delhi-110024
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Regd. Office	13, Hanuman Road, Connaught Place New Delhi-110001 Tel.: 0120-2485183
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Head Office : (Plant)	Village Fazilpur Meharola Rudrapur Distt. Udham Singh Nagar, Uttarakhand
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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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ISIN No.	INE906C01016
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Tarai Foods Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report, together with the audited statement of accounts of the Company for the year ended 31st March, 2015.

1. Statement of Company Affairs:

a. Financial Results & Performance:

The performance of the Company for the financial year ended 31st March, 2015 is summarized below:

Particulars	Financial Year ended 31 st March, 2015 (Rs. In lacs)	Financial Year ended 31 st March, 2014 (Rs. In lacs)
Gross Revenue	211	196
Operating Profit before Interest, Financial Charges and Depreciation	(13)	(6)
Less: Interest and Finance Charges	0.07	0.10
Profit/(Loss) before Depreciation	(13)	(6)
Less: Depreciation	49	51
Profit/(Loss) for the year	(62)	(57)
Exceptional Items	(10)	0.00
Net Profit/(Loss) for the year	(72)	(57)
Less: Provision for Tax	0.00	0.00
Extra Ordinary Income (net of tax expense)	1084	0.00
Net Profit/(Loss) after Taxation	1012	(57)

The Company was in its Twenty Fifth year of operations. During the period under review, the Company recorded an increase in the Gross revenue from Rs. 196 Lacs to Rs. 210 Lacs. However, the losses before the exceptional and extra-ordinary items increased from 57.21 lacs to 61.69 lacs. The directors are hopeful of better performance in the next year.

Transfer to Reserves:

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

Dividend:

No dividend is recommended on the equity shares of the Company for the year ended 31st March, 2015 as the financial position of the company does not allow it to do so.

Material changes and commitments subsequent to the Balance sheet:

Dr. Ram pyare Singh was re-appointed as Whole time Director of the Company for a period of 5 years w.e.f. 1st July, 2015. His appointment is subject to approval by the members in the ensuing Annual General Meeting of the Company except this there was no changes occurred in the Company subsequent to the closing of financial year till the signing of the Board's report.

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

(i) Industry structure and developments.

Indian food processing industry is widely recognized as a sunrise industry, having huge potential for uplifting agricultural economy, creating of large scale processed food manufacturing and food chain facilities and the resultant generation of employment and export earnings. Indian food industry is expected to grow to US\$ 280 billion by 2015 and generate an additional employment for approximately 8.2 million people.

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 5000 tons in 1992 over 1 lac tons in 2010. India produces about 600 million tons of agricultural waste annually and a major part of it are left out to decompose naturally for 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 11th 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.

Opportunities

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.

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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 alike 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 post harvest 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.
- **Commercial rate of electricity tariff:**
Similarly, both small and big production/ manufacture have to pay electricity charges at commercial rate, although mushroom farming is an agricultural activity. It has been highlighted by the concerned scientific community during scientific gatherings, seminars, meetings etc. many times, but no relief has been given. This has led to high cost of production due to increased capital as well as recurring expenditure on production/ manufacturing affecting its competitiveness in world markets.
- **Competition: eg -**Availability of canned Chinese mushroom at lower price.
- High cost of energy tariff for year round production though the mushrooms have been included as one of the agricultural crops.
- 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**
- **Frozen Peas**
- **Mushroom Spawn**
- **Frozen sweet corn**

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	153.65	177.77	88.32	96.91
Frozen Peas	61.27	19.01	230.12	82.66
Frozen sweet corn	10.63	04.79	15.38	07.04
Mushroom Spawn	8.73	05.45	5	04.06

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.

The overall current year's production and realizations in Frozen Vegetable category has increased. The Company hopes to continue with the increasing trends.

(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

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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 and offers a wide range 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 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 2015, 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.

b. Key Changes during the year:

1. Changes in the Nature of business: NIL
2. Changes during the year in Directors and KMP:

Dr. Ram pyare Singh was appointed as Chief Financial Officer of the Company w.e.f. 30th May, 2014 and Mr. Gurprit Singh Sandhu, Managing Director was re-designated as Key Managerial Personnel of the Company w.e.f. 14th February, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013 Mr. Gurprit Singh Sandhu, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for the re-appointment.

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 the order passed by the Regulators/ Courts/ Tribunals: No 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. During the year under review no director resigned from the directorship of the Company.

a. Composition and Meetings of the Board:

The Board Comprises of Mr. G.S Sandhu, Ms. Kiran Sandhu, Mr. Ram Pyare Singh, Mr. Vijay Jolly, Mr. Melvinder Singh Garewal and Mr. Hakam Singh Saini as on 31st March, 2015. The Board of Directors duly met Five times on 30/05/2014, 14/08/2014, 14/11/2014, 14/02/2015 and 02/03/2015 in respect of which meetings proper notices were given and the proceedings were properly recorded. 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. Vijay Jolly, Ms. Kiran Sandhu, Mr. Melvinder Singh Garewal and Mr. Hakam Singh Saini as the members of the Committee. The Audit Committee duly met Four (4) times on 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015 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. Vijay Jolly, Ms. Kiran Sandhu, Mr. Melvinder Singh Garewal and Mr. Hakam Singh Saini as the members of the Committee. The Nomination and Remuneration Committee duly met twice (2) on 30/05/2014 and 14/08/2014 during the financial year. The details of the Members who attended the meetings are given separately in the Corporate Governance report annexed separately.

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d. Composition and meeting of Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of Mr. Vijay Jolly, Ms. Kiran Sandhu, Mr. Melvinder Singh Garewal and Mr. Hakam Singh Saini as the members of the Committee. The Stakeholders Relationship Committee duly met once on 14/08/2014 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 from each of the Independent directors at the time of their appointment 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 14th August, 2014.

Training of Independent Directors:

The Company had provided suitable training to all the independent directors of the Company to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

f. 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**.

3. Auditors:

a. Statutory Audit: M/s Rattan Anil & Co., Chartered Accountants,, A-90, Gali No. 6, 1st Floor, Madhu Vihar Market, PatparGanj Bus Depot., Delhi, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment as Statutory Auditors of the Company to hold from the conclusion of 25th Annual General Meeting until the conclusion of 31st Annual General Meeting of the Company. The Company has also received the written consent of the auditor and a certificate from them to the effect that their appointment, if made, would be in accordance with the provisions of Section 139 read with Section 141 of the Companies Act, 2013.

Board's explanation and Comments:

Auditor's Responsibility Statement read with Clause 13 on Note 22: The company has been repairing the plant on regular basis depending on the liquidity position as per the need of the hour. Extensive repairs are made to the plant and plant & machineries every year. The company has also filed a case with the High Court on Insurance Company towards this claim.

Auditor's responsibility Statement read with Clause 9 on Note 22: The company had entered into settlement with secured lenders and part payments have already been made to these lenders as per the terms of the settlement in the earlier years. Although all the secured lenders have already revoked the sanctioned Settlement. But the company has approached them again and is hopeful to clear the default as per the negotiated settlement. As per the discussions on the settlements, the interest are not payable to them on the original liability and Current provision of Interest due to the secured lenders along with Principal amount due to them at Rs. 2.40 Crs. (after taking into consideration the payment made towards the negotiated settlement) as per Books of Accounts is more than the settlement amount discussed with these lenders and in view of this, there is no fresh provision of interest made for the year under review in the Books of Accounts. Complete details have been provided in the clause 09 on note 22 which is self explanatory.

Auditor's responsibility Statement read with Clause 11 on Note 22: The company has approached the secured lenders for resettlement. Term Loan of IARC has been settled in full and final during the year under review. A payment of Rs. 1 cr. was made in earlier years to the secured lenders towards the negotiated settlement which stand revoked as on date. On fully settling the dues of these secured lenders as per the settlement, the company will be able to come out of the negative networth and also revive its operations fully. The company has also diversified in the field of Mushroom, growing it in artificially controlled temperature and is hopeful of revival of its operations fully.

Point No. (vii) (a) to the Annexure to the Auditor's Report:

The company has defaulted in depositing the dues with the Provident Fund Authorities due to the adverse financial condition but it has approached the Provident Fund Authorities to work out the plans so that the payments can be made to them in installments. It has already started making the payment to clear the Provident Fund dues. The company is hopeful to clear the entire dues in the near future.

The company has outstanding dues of around Rs. 8.37 lacs towards the sales tax demand. The company has taken up the steps to approach the relevant Authorities (including filing of appeal) for cancellation of demand of Rs. 5.11 lacs. Rest of the Sales Tax demand of Rs. 3.26 lacs has not been paid due to adverse liquidity position. The company is hopeful to clear the dues soon.

Other points are self explanatory as given in various clauses on Note 22.

b. Secretarial Audit:

The Board has appointed M/s Santosh Ku. Pradhan, Practising Company Secretary as the Secretarial Auditor for the Financial Year 2014-15. 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 and Comments:

The Company has tried to take on roll services of a Company Secretary as Key Managerial Personnel. However, since the company is going through severe liquidity crunch, it is difficult to persuade the applicants to work on a reasonable salary. However, the company is committed to employ Company secretary in near future.

4. 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.

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

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to the attention Mr. Vijay Jolly, 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 particulars of Contracts and arrangements with related parties referred to in sub section (1) of Section 188 in AOC-2 is annexed as **Annexure-4** and forms part of this report.

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:

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 5** 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 6** to this report.

15. Corporate Governance report:

A Comprehensive report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement 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 in the Clause 49 of the Listing Agreement and the same is annexed.

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

Our Company has prescribed required parameters to evaluate the performance of the Board and its committees. It is always recognized that the Board comprises appropriately qualified and professional people with broad range of experience.

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

18. 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 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.

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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
Sd/-

Place: Rudrapur
Date: 14th August, 2015

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

Annexure-I

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

Tarai Foods Limited

Form No. MR-3

'ANNEXURE' 2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[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
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 (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, 2015 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 herein after:

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, 2015, 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- **Not notified till 31st March, 2015, hence not applicable to the Company during the Audit Period.**
- (b) The Listing Agreements entered into by the Company with Bombay stock exchange.

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 observation:

The Company does not have a Whole Time Key managerial Personnel in the category of Company Secretary pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Tarai Foods Limited

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: 10/08/2015

Place: Ghaziabad

For Santosh Kumar Pradhan

(Company Secretaries)

Sd/-

Santosh Kumar Pradhan

FCS No.: 6973

C P No.: 7647

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

'ANNEXURE A'

To

The Members,

Tarai Foods Limited

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: 10/08/2015

Place: Ghaziabad

For Santosh Kumar Pradhan

(Company Secretaries)

Sd/-

Santosh Kumar Pradhan

FCS No.: 6973

C P No.: 7647

FormNo.MGT-9

'ANNEXURE' 3

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2015

[Pursuant to section92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. **REGISTRATION AND OTHER DETAILS:**

i.	CIN	L15142DL1990PLC039291
ii.	Registration Date	20/02/1990
iii.	Name of the Company	TARAI FOODS LIMITED
iv.	Category/Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	13, Hanuman Road, Connaught Place New Delhi-110001. Tel.: 0120-2485183
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Beetal Financial & Computer Services (P) Ltd. 99, Madangir, Beetal House, Behind Local Shopping Centre, Near dada Harsukhdas Mandir, New Delhi-110062 Tel.: 29961281/2

Tarai Foods Limited

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1.	Sale of Fresh Mushrooms	01136	85.87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
	N.A	N.A	N.A	N.A	N.A

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

i Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	7,34,352	11,92,510	19,26,862	10.87	7,39,352	11,92,510	19,31,862	10.90	0.03
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Subtotal(A)(1):-	7,34,352	11,92,510	19,26,862	10.87	7,39,352	11,92,510	19,31,862	10.90	0.03
2) Foreign									
g) NRIs-Individuals	63,28,100	NIL	63,28,100	35.70	63,28,100	NIL	63,28,100	35.70	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(2):-	63,28,100	NIL	63,28,100	35.70	63,28,100	NIL	63,28,100	35.70	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	70,62,452	11,92,510	82,54,962	46.57	70,67,452	11,92,510	82,59,962	46.6	0.03
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	400	12,500	12,900	0.07	400	12,500	12,900	0.07	0
b) Banks / FI	200	20,100	20,300	0.11	200	20,100	20,300	0.11	0
c) Central Gov t/ State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Tarai Foods Limited

h) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(1)	600	32,600	33,200	0.18	600	32,600	33,200	0.18	0
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	6,70,664	29,33,300	36,03,964	20.33	6,69,491	29,33,300	36,02,791	20.32	(0.01)
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	20,87,560	17,21,141	38,08,701	21.48	20,70,788	17,06,741	37,77,529	21.31	(0.17)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15,91,329	1,17,100	17,08,429	9.64	15,55,199	1,17,100	1,672,299	9.43	(0.21)
c) Others(Specify)									
(i) NRI	48,579	2,01,800	2,50,379	1.41	52,999	2,00,600	2,53,599	1.43	0.02
(ii) HUF	67,983	300	68,283	0.39	1,28,740	0	1,28,740	0.73	0.34
Sub-total(B)(2)	4,466,317	4,973,641	9,439,958	53.25	4,477,817	4,957,141	9,434,958	53.22	(0.03)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4,466,917	5,006,241	9,473,158	53.43	4,478,417	4,989,741	9,468,158	53.4	(0.03)
C. Shares held by Custodian for GDRs &	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

ii. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	Gurpreet Singh Sandhu	1,658,562	9.37	0	1,658,562	9.36	0	0
2.	Kiran Sandhu	52,490	0.29	0	52,490	0.29	0	0
3.	Imran Ahmed	100	0.00	0	100	0.00	0	0
4.	Sudhir Chadha	100	0.00	0	100	0.00	0	0
5.	NK Bharti	500	0.00	0	500	0.00	0	0
6.	Darshan Singh	500	0.00	0	500	0.00	0	0
7.	Anand Rungta	700	0.00	0	700	0.00	0	0
8.	Bhopinder Singh	1,000	0.01	0	1,000	0.01	0	0
9.	Harpreet Singh	2,500	0.01	0	2,500	0.01	0	0
10.	J Akoi	10,000	0.06	0	10,000	0.06	0	0
11.	DS Bhooi	10,410	0.06	0	10,410	0.06	0	0
12.	S Inder Partap Singh	1,90,000	1.07	0	1,90,000	1.07	0	0
13.	Galway Investments Private Limited	63,28,100	35.70	0	6,328,100	35.70	0	0
14.	Jasleen kaur	2,500	0.01	0	2,500	0.01	0	0
15.	Tej Partap Singh	2,500	0.01	0	2,500	0.01	0	0
	Total	8,259,962	46.59	0	8,259,962	46.59	0	0

Tarai Foods Limited

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

Sl. no	Shareholder's Name	Shareholding		Date	Increase (Decrease) in share holding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1.	Gurpreet Singh Sandhu	1,658,562 1,658,562	9.37 9.37		No Change		1,658,562	9.37
2.	Kiran Sandhu	52,490 52,490	0.29 0.29		No Change		52,490	0.29
3.	Imran Ahmed	100 100	0.00 0.00		No Change		100	0.00
4.	Sudhir Chadha	100 100	0.00 0.00		No Change		100	0.00
5.	NK Bharti	500 500	0.00 0.00		No Change		500	0.00
6.	Darshan Singh	500 500	0.00 0.00		No Change		500	0.00
7.	Anand Rungta	700 700	0.00 0.00		No Change		700	0.00
8.	Bhopinder Singh	1000 1000	0.01 0.01		No Change		1000	0.01
9.	Harpreet Singh	2500 2500	0.01 0.01		No Change		2500	0.01
10.	J Akoi	10,000 10,000	0.06 0.06		No Change		10,000	0.06
11.	DS Bhooi	10,410 10,410	0.06 0.06		No Change		10,410	0.06
12.	S Inder Partap Singh	1,90,000 1,90,000	1.07 1.07		No Change		1,90,000	1.07
13.	Galway Investments Private Limited	63,28,100 63,28,100	35.70 35.70		No Change		63,28,100	35.70
14.	Jasleen Kaur	2500 2500	0.01 0.01		No Change		2500	0.01
15.	Tej Partap Singh	2500 2500	0.01 0.01		No Change		2500	0.01

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

Sl. No	Shareholder's Name	Shareholding		Date	Increase (decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the company				No. of Shares	% of total shares of the Company
1.	Sunbright Foods Private Limited	10,00,000 10,00,000	5.64 5.64		No Change		10,00,000	5.64
2	Arihant Technology Private Limited	10,00,000 10,00,000	5.64 5.64		No Change		10,00,000	5.64
3.	Sandesh properties Private Limited	7,10,000 7,10,000	4 4		No Change		7,10,000	4
4.	Hitesh Ramji Javeri	5,50,000 5,50,000	3.10 3.10		No Change		5,50,000	3.10
5.	Harsha Hitesh Javeri	3,35,000 3,35,000	1.89 1.89		No Change		3,35,000	1.89

Tarai Foods Limited

6.	Mackertich Consultancy Services Private Limited	1,78,828 1,78,828	1.01 1.01	No Change	1,78,828	1.01
7.	Sunflower Securities Private Limited	1,68,252 1,68,252	0.95 0.95	No Change	1,68,252	0.95
8.	Eden Garden Plantations & Marketing Private Limited	1,50,000 1,50,000	0.85 0.85	No Change	1,50,000	0.85
9.	Amit Narendra Vira	1,30,751 1,30,751	0.74 0.74	No Change	1,30,751	0.74
10.	Om Prakash Goel	69,400 69,400	0.39 0.39	No Change	69,400	0.39

iv. Shareholding of Directors and KMPs

Sl. no	Name	Shareholding		Date	Increase (decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1.	Gurprit Singh Sandhu	1,658,562 1,658,562	9.37 9.37		No Change		1,658,562	9.37
2.	Kiran Sandhu	52,490 52,490	0.29 0.29		No Change		52,490	0.29
3.	Vijay Jolly	NIL NIL	NIL NIL		No Change		NIL	NIL
4.	Melvinder Singh Garewal	NIL NIL	NIL NIL		No Change		NIL	NIL
5.	Hakam Singh	NIL NIL	NIL NIL		No Change		NIL	NIL
6.	Rampyare Singh	NIL NIL	NIL NIL		No Change		NIL	NIL

v. INDEBTEDNESS (Rs.in lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	265	152	NIL	417
ii) Interest due but not paid	3998	NIL	NIL	3998
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	4263	152	NIL	4415
Change in Indebtedness during the financial year				
- Addition	NIL	40	NIL	40
- Reduction	1224	NIL	NIL	1224
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	240	192	NIL	432
ii) Interest due but not paid	2899	NIL	NIL	2899
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	3139	192	NIL	3331

Tarai Foods Limited

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Gurprit Singh Sandhu (Managing Director)	Ram Pyare Singh (Whole time Director)	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total(A)	NIL	NIL	NIL
	Ceiling as per the Act	N.A.	N.A.	

B. Remuneration to other Directors: N.A.

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		-	-	-	-	-	
	1. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify						
	Total(1)						
	4. Other Non- Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify						
	Total(2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration						
	Overall Ceiling as per the act						

C. Remuneration to key Managerial Personnel Other Than MD/ Manager/ WTD: N.A.

Sl. no.	Particulars of Remuneration	Key managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total				

Tarai Foods Limited

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

Place: Rudrapur
Date: 14.08.2015

By Order of the Board
Tarai Foods Limited

Sd/-

Mr. G.S. Sandhu
Chairman

DIN: 00053527

Address: 118, Madan Lal Block,
Asian Games Village,
New Delhi- 110049.

ANNEXURE- 4

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	N.A
c)	Duration of the contracts/arrangements/transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions'	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

Tarai Foods Limited

By Order of the Board
for Tarai Foods Limited

Sd/-

Mr. G.S. Sandhu
Chairman

DIN: 00053527

Address: 118, Madan Lal Block,
Asian Games Village,
New Delhi- 110049.

ANNEXURE 5

A. The information required under Section 197 of the Act 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 2014-15:

Sl. No	Name of the Directors	Designation	Ratio
1.	Gurprit Singh Sandhu	Managing Director	N.A
2.	Kiran Sandhu	Director	N.A
3.	Vijay Jolly	Director	N.A
4.	Rampyare Singh	Whole Time Director	N.A
5.	Malvinder Singh Garewal	Director	N.A
6.	Hakam Singh	Director	N.A

1. 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	Remuneration paid during 2013-14 (Rs. In lacs)	Remuneration paid during 2014-15 (Rs. In lacs)	Increase
1	Gurprit Singh Sandhu	Managing Director	N.A	N.A	No Increase
2	Kiran Sandhu	Director	N.A	N.A	No Increase
3	Vijay Jolly	Director	N.A	N.A	No Increase
4	Rampyare Singh	Whole Time Director	N.A	N.A	No Increase
5	Malvinder Singh Garewal	Director	N.A	N.A	No Increase
6.	Hakam Singh	Director	N.A	N.A	No Increase

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:13

5. The explanation on the relationship between average increase in remuneration and company performance:

There was no change in the remuneration of the employees. As of Company performance, the revenue of the Company grew by 7.14% as compared to last year; Losses before exceptional and extra- ordinary items rose by 7.26%. The Company has earned profit due to after tax during the year.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

In the financial year 2014-15, revenue of the company registered an increase of 7.14%. However, the company continued to make losses (excluding the extra ordinary items). There is no increase in salary of Executive Directors and other KMPs in FY 2014-15 over Financial Year 2013-14.

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	As at March 31, 2015	As at March 31, 2014	Variation (In %)
Closing rate of Share at BSE (Rs.)	1.2	3.71	(67.65)
Market Capitalization (Rs. in crore)	1.72	5.32	(67.67)
Price Earnings ratio	0.17	(9.26)	(101.84)

Tarai Foods Limited

8. **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 average percentile of salaries of employees other than managerial personnel in 2014-15.
There is no percentage increase in the managerial remuneration for the year 2014-15.

9. **Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company**

The % of the remuneration of each KMP to the Profit after Tax (PAT) is given below:

Sl. No	Name of the Directors	Designation	Percentage as PAT
1.	Gurprit Singh Sandhu	Managing Director	N.A
2..	Rampyare Singh	Whole Time Director	N.A
3.	Rampyare Singh	Chief Financial Officer	N.A

10. The key parameters for any variable component of remuneration availed by the directors: N.A
11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: N.A
12. Affirmation that the remuneration is as per the remuneration policy of the company: N.A
B. **The information required under Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

- A. Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 60,00,000/-:

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

- B. 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. 5,00,000/- 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

- C. 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

Place: Rudrapur
Date: 14.08.2015

By Order of the Board
for Tarai Foods Limited

Sd/-

Mr. G.S. Sandhu
Chairman
DIN: 00053527

Address: 118, Madan Lal Block,
Asian Games Village,
New Delhi- 110049.

Tarai Foods Limited

Annexure 6

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.
- 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 various formulations were careied out in the year 2014-15. Formulation chosen for the composting consisted of Wheat Straw, Chicken manure (75%), Soybean meal (3.6%), urea (0.3%), Ammonium sulphate (0.2%) and Gypsum (8.0%). It gave significantly better yield comparing earlier formulations. It is cost effective also. Therefore, the present validated formulation is being used presently for compost preparation.

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 2014-15 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

Sd/-

Place: Rudrapur
Date: 14.08.2015

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

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 organisation 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.

Tarai Foods Limited

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 Board of directors of the Company consists of 6 directors whose category, attendance in Board meetings and in last AGM is as follows:

S. No.	Name of Directors	PD/ND*	ED/NED /ID*	Atten-dance in last AGM	Attendance in Board Meetings		Other Board	
					Held	Attended	Directorship	Committee Chairmanship
1.	Mr. Gurpreet Singh Sandhu	PD & Managing Director	ED	Present	5	4	Director in Tarai Farmlands Pvt. Ltd. , *Tarai Agro Industries Ltd., Suraiya Exports Pvt. Ltd.	NIL
2.	Mrs. Kiran Sandhu	PD	NED	Present	5	4	Director in Tarai Farmlands Pvt. Ltd. , *Tarai Agro Industries Ltd., Suraiya Exports Pvt. Ltd.	NIL
3.	Mr. Vijay Jolly	NPD	NED/ID	Absent	5	5	Director in Obex India Pvt. Ltd, *Sensei Car Services Limited, TVJ Steels Pvt. Ltd._default status	NIL
4.	Mr. Rampyare Singh	NPD	ED	Present	5	5	NIL	NIL
5.	Mr. Melvinder Singh Garewal	NPD	NED/ID	Absent	5	5	NIL	NIL
6.	Mr. Hakam Singh	NPD	NED/ID	Absent	5	5	NIL	NIL

• PD – Promoter Director; NPD – Non Promoter Director; ED – Executive Director;

• NED – Non-Executive Director; ID – Independent Director

* Pursuant to sub section (5) of Section 560 of the Companies act, 1956, that the name of the Company has been struck off the Register and the Company is dissolved.

a) **Details of Board Meetings held during the year :**

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	Board Strength	No. of Directors Present
30/05/2014	6	4
14/08/2014	6	6
14/11/2014	6	6
14/02/2015	6	6
02/03/2015	6	6

3. AUDIT COMMITTEE:

During the financial year 2014-2015, the Members of the Audit Committee met 4 (Four) times. The dates of the meetings were 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015.

a) **Composition of Committee and attendance of members :**

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	*Mr. Vijay Jolly	Chairman	NED/ID	4	4
2.	Mrs. Kiran Sandhu	Member	NED	4	3
3.	Mr. M.S. Garewal	Member	NED/ID	4	4
4.	Mr. Hakam Singh	Member	NED/ID	4	4

Tarai Foods Limited

*Mr. Vijay Jolly having the requisite qualification as required under Clause 49 (II) of the Listing Agreement is the Chairman of the Audit Committee.

b) Terms of reference:

- 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;
- Recommendation the appointment, remuneration and terms of the appointment of the auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's 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, performance of Statutory and internal auditors, adequacy of the internal control systems;
- 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;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

During the financial year 2014-15, the Members of the Nomination & Remuneration Committee met 2 (Two) times on 30/05/2014 & 14/08/2014. The remuneration policy of the Company is annexed as Annexure-1 to the Directors report. No remuneration is being paid to any of the Directors of the Company.

a) Composition of Committee and attendance of members:

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	*Mr. Vijay Jolly	Chairman	NED/ID	2	2
2.	Mrs. Kiran Sandhu	Member	NED	2	1
3.	Mr. M.S. Garewal	Member	NED/ID	2	2
4.	Mr. Hakam Singh	Member	NED/ID	2	2

* Mr. Vijay Jolly was appointed as the Chairman of the Nomination & Remuneration Committee.

b) 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 authorised 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 authorised 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;

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- d) to keep under review the leadership needs of the organisation, 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.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the financial year 2014-2015, Members of the Stakeholders Relationship Committee met 1 (One) time as on 14/08/2014.

a) Composition of Committee and attendance of members :

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	*Mr. Vijay Jolly	Chairman	NED/ID	1	1
2.	Mrs. Kiran Sandhu	Member	NED	1	1
3.	Mr. M.S. Garewal	Member	NED/ID	1	1
4.	Mr. Hakam Singh	Member	NED/ID	1	1

* Mr. Vijay Jolly was appointed as the Chairman of the Stakeholders Relationship Committee.

- b) Mr. G. S. Sandhu, Managing Director, is the Compliance Officer of the Company.
- c) - 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

3. GENERAL MEETINGS :

Location and time, where last three AGMs were held :

Particulars	FY 2011-2012	FY 2012-13	FY 2013-14
Date & Time	September 29, 2012 9:30 A.M	September 30, 2013 9:30A.M	September 29, 2014 9:30A.M
Venue	Elcina House, 422, Okhla Industrial Estate, New Delhi -110 020.	Elcina House, 422, Okhla Industrial Estate, New Delhi -110 020.	Elcina House, 422, Okhla Industrial Estate, New Delhi -110 020.

Tarai Foods Limited

- **Whether any special resolutions passed in the previous 3 AGMs:**

One special resolution was passed in AGM held on 29th September, 2014 through Postal ballot.

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

Yes, one resolution was passed as special resolution through postal ballot regarding "Sell or otherwise dispose of the undertaking".

- **Date of Postal Ballot**
29th September, 2014
- **Date on which result is declared**
1st October, 2014
- **Voting pattern:**

This resolution was passed through postal ballot after giving e-voting facility to all the members and the resolution was passed through 99.88 % affirmative votes.

- **Person who conducted the postal ballot exercise:**

Mr. Santosh Kumar Pradhan, Practising Company Secretary acted as Scrutinizer for conducting the postal ballot process.

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

No

- **Procedure for postal ballot:**

N.A

7. 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 Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years :**

N. A.

- **Whistler 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. Vijay Jolly, 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 Listing Agreement and the Company proposed to adopt some of the provisions of the non-mandatory requirements of Listing Agreement.

8. MEANS OF COMMUNICATION:

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

9. SHAREHOLDERS' INFORMATION:

a) Annual General Meeting:

Date and Time: 30th September, 2014 at 09.30 A.M.

Venue : Elcina House, 422, Okhla Industrial Estate, Phase-III, New Delhi-110020.

b) Financial Year:

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

c) Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive).

d) Dividend payment date :

N. A.

e) Listing on Stock Exchanges:

The shares of your Company are listed at The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. The Company has not yet paid the up-to-date listing fee to the Bombay Stock Exchange.

f) Stock Code:

The Stock Exchange, Mumbai - 519285

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

At BSE (Bombay Stock Exchange)

Tarai Foods Limited

Month	Monthly High	Monthly Low
Apr-14	3.64	3.2
May-14	3.3	2.24
Jun-14	2.9	2.07
Jul-14	2.62	2.19
Aug-14	3.22	2.27
Sep-14	3.03	2.27
Oct-14	3.01	2.59
Nov-14	3.05	2.37
Dec-14	2.48	1.44
Jan-15	1.65	1.42
Feb-15	1.6	1.27
Mar-15	1.27	1.1

h) 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.

i) Registrar and Transfer Agents:

Beetal Financial & Computer Services Pvt. Limited,
99, 3rd Floor, Madangir, Behind Local Shopping Center,
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 31.03.2015:

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)	20,300	0.11
c.	Foreign Institutional Investors	NIL	NIL
	Sub- Total	33,200	0.18
4.	Others		
a.	Private Corporate Bodies	36,02,791	20.32
b.	Indian Public	54,49,828	31.47
c.	NRIs/OCBs/HUF	3,82,339	1.43
	Any Other (Clearing Members- Demat Transit)		
	GRAND TOTAL	1,77,28,120	100

i) Distribution of Shareholding by size as on 31.03.2015:

Sr. No.	Shares	No. of shareholders	No. of shares	% to the total shares
1.	Up to 5,000	0	0	0
2.	5,001 to 10,000	0	0	0
3.	10,001 To 20,000	6	12,900	0.073
4.	20,001 To 30,000	3	20,300	0.115
5.	30,001 To 40,000	0	0	
6.	40,001 To 50,000	0	0	
7.	50,000 To 1,00,000	0	0	
8.	1,00,001 And Above	16,066	1,76,94,920	99.812
	TOTAL	16,075	1,77,28,120	100

Tarai Foods Limited

m) Dematerialization of Shares & Liquidity:

As on 31st March, 2015, 1,15,45,269 equity shares, representing 65.12% of Total Equity Capital is held in demat form with the NSDL & CDSL.

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

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.

AUDITORS' CERTIFICATE

To the members of Tarai Foods Limited

We have examined the compliance of conditions of Corporate Governance by Tarai Foods Limited for the year ended 31st March 2015 as stipulated in Clause 49 of the Listed Agreement of the said company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations' was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listed Agreement.

We state that no investor grievances is pending for a period exceeding one month against the company as per the record maintained by the company which are presented to investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For RATTAN ANIL & CO.
Chartered Accountants

Place : Rudrapur

Date : 14/08/15

Sd/-
Rattan Bansal
Partner

Membership No.: 083929
Firm Regn. No.: 009414N

CEO/ CFO certification

We, Mr. G. S. Sandhu, Managing Director (DIN: 00053527) and Mr. R.P. Singh, Whole Time Director (DIN: 03615102) & CFO of Tarai Foods Limited having registered office at 13, Hanuman Road, Connaught Place, New Delhi certify to the Board to the best of our knowledge & belief that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- c. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 14th August, 2015

Place : Rudrapur

Sd/-
GURPRIT. S. SANDHU
MANAGING DIRECTOR
DIN: 00053527

Sd/-
RAMPYARE SINGH
CHIEF FINANCIAL OFFICER & WHOLE TIME
EXECUTIVE DIRECTOR
DIN: 03615102
PAN No. AXRPS3807K

Tarai Foods Limited

Independent Auditor's Report

To the Members of TARAI FOODS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of TARAI FOODS LIMITED ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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 designs, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion:

1. Clause 13 on Note 22 regarding damage to the cold store building.
2. Clause 9 on Note 22 regarding interest on Term Loan default not provided for.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph**, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to –

1. Clause 11 on Note 22 of the Financial Statement with regard to continued losses and negative net worth. Considering continued losses, and negative net worth of the company, the concept of going concern may be in doubt, its ability to continue as going concern depends upon the settlement of outstanding dues of secured/ unsecured creditors and restructuring of operations by considering appropriate business strategies and financial viabilities. In spite of these uncertainties, accounts have been prepared on going concern basis and we are unable to ascertain its impact on the financial statements of the company.

Our opinion is not qualified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 and Cash Flow statement dealt with in this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014,
 - e. on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - f. 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 to the explanations given to us:

Tarai Foods Limited

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice.
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 .

Place : New Delhi
Date : 30th May 2015

For RATTAN ANIL & CO.
Chartered Accountants
Firm Regn. No.:009414N

Sd/-

Rattan Bansal
Partner
Membership No.:083929

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (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.
- (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) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by Management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company has maintained proper records of inventories. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii). The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s 189 the Companies Act, 2013.
- (iv). In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and Services. During the course of our audit, we have not observed any major weaknesses in such internal control System.
- (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 section 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act. 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Record and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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) According to the records of the Company, in the year under review, the Company is regular in depositing undisputed statutory dues including Income tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable with 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 not been deposited and there have been serious delays in many cases.. Provident Fund amounting to Rs. 18.86 lacs (including of earlier years) and sales tax of earlier years amounting to Rs. 8.37 lacs has not been deposited with the Authorities after they have become due. However, provision for provident Fund have been made in Books of Accounts in the earlier years.
 - b) As at 31st March, 2015 according to the records of the Company, the following are the particulars of disputed dues on account of Income Tax and 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
The Income Tax Act, 1961	Income Tax	Rs. 129.84	Ass. Yr. 1996-97	Appellate Authority- ITAT and High COURT

Tarai Foods Limited

- c). The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii). The company has accumulated losses which has eroded the networth fully and has incurred cash Losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix). In our opinion and based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions and the bank. The Company has been defaulting to them for more than fifteen years to the tune of Rs. 340 lacs towards principal amount As per the books of accounts maintained by the Company, the default of unpaid interest to the secured lenders is approx. Rs. 29 crores as on 31.03.2015.
- (x). The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi). According to the information and explanations given to us and on an overall examination of the financial statements of the company, we are of the opinion that term loans have been applied for the purpose for which they are obtained.
- (xii). To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

Place : New Delhi
Date : 30th May 2015

For RATTAN ANIL & CO.
Chartered Accountants
Firm Regn. No.:009414N

Sd/-

Rattan Bansal
Partner
Membership No.:083929

Tarai Foods Limited

TARAI FOODS LIMITED

AUDITED BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Notes No.	AS AT 31-Mar-15	AS AT 31-Mar-14
		Rs.	Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	143,381,200	143,381,200
Reserves & Surplus	2	<u>(455,764,840)</u>	<u>(556,998,256)</u>
		<u>(312,383,640)</u>	<u>(413,617,056)</u>
NON CURRENT LIABILITIES			
Long Term Borrowings	3	313,908,157	426,314,829
Deferred Tax Liability (Net)		0	0
Other Long Term Liabilities	4	19,250,000	15,250,000
Long Term Provisions	5	<u>879,089</u>	<u>747,797</u>
		<u>334,037,246</u>	<u>442,312,626</u>
CURRENT LIABILITIES			
Short Term Borrowings		0	0
Trade Payables	6	13,091,412	13,193,922
Other Current Liabilities	7	4,858,052	3,551,127
Short Term Provisions	8	<u>146,777</u>	<u>247,987</u>
		<u>18,096,241</u>	<u>16,993,036</u>
		<u>39,749,847</u>	<u>45,688,606</u>
ASSETS			
NON CURRENT ASSETS			
a.) FIXED ASSETS			
-- Tangible Assets	9	30,220,864	35,120,451
-- Intangible Assets		0	0
-- Capital Work-in- Progress		<u>1,946,126</u>	<u>1,946,126</u>
		<u>32,166,990</u>	<u>37,066,577</u>
b.) Non Current Investments		0	0
c.) Deferred Tax Assets (Net)		0	0
d.) Long term loans and advances		0	0
e.) Other non- current assets		0	0
CURRENT ASSETS			
(a) Current investments		0	0
(b) Inventories	10	2,879,871	3,629,149
(c) Trade receivables	11	76,960	201,919
(d) Cash and cash equivalents	12	276,638	424,704
(e) Short-term loans and advances	13	4,349,383	4,366,253
(f) Other current assets		<u>0</u>	<u>0</u>
		<u>7,582,852</u>	<u>8,622,024</u>
		<u>39,749,847</u>	<u>45,688,606</u>

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

This is the Balance Sheet referred to in our report of even date

FOR & ON BEHALF OF THE BOARD

Sd/-

Rattan Bansal
Partner
Membership No.083929
For and on behalf of
M/s. Rattan Anil & Co.
Chartered Accountants
Firm Regn. No. : 009414N

DIN No:

Sd/-

G.S. SANDHU
MANAGING DIRECTOR
00053527

Sd/-

Dr. R.P. SINGH
WHOLE TIME DIRECTOR
03615102
CHIEF FINANCE OFFICER
PAN NO. AXRPS3807K

Place : NEW DELHI
Date : 30.05.2015

Tarai Foods Limited

TARAI FOODS LIMITED

AUDITED PROFIT & LOSS ACCOUNT STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	For the year ended 31-Mar-15	For the year ended 31-Mar-14
		Rs.	Rs.
I N C O M E			
I. Net Revenue from Operations	14	20,998,914	19,532,643
II. Other Income	15	114,757	66,201
III. Total Revenue		<u>21,113,671</u>	<u>19,598,844</u>
I V. E X P E N S E S			
Cost of Materials consumed	16	5,661,368	4,895,454
Purchase of Stock in Trade		91,641	283552.00
Changes in inventories of Finished Goods, WIP and stock-in-Trade	17	1,501,745	1,047,727
Employee Benefit Expenses	18	2,411,227	2,418,314
Finance Cost	19	7,214	10,602
Depreciation and Amortization expenses	9	4,932,672	5,116,725
Other Expenses	20	12,677,003	11,548,066
Total Expenses		<u>27,282,870</u>	<u>25,320,440</u>
V. (LOSS)/ PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(6,169,199)	(5,721,596)
VI. EXCEPTIONAL ITEMS		1,004,057	0
VII. PROFIT/ (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX		<u>(7,173,256)</u>	<u>(5,721,596)</u>
VIII. Extra Ordinary Items		(108,406,672)	0
IX. PROFIT/ (LOSS) BEFORE TAX		<u>101,233,416</u>	<u>(5,721,596)</u>
X. Tax expenses		0	0
XI. PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		101,233,416	(5,721,596)
XII. PROFIT/ (LOSS) FROM DISCONTINUING OPERATIONS		0	0
XIII. Tax Expenses of Discontinuing operations		0	0
XIV. Profit/(loss) from Discontinuing Operations (after Tax)		0	0
XV. Profit / (Loss) for the Period		101,233,416	(5,721,596)
Loss brought forward from previous year		593,957,566	588,235,971
LOSS TRANSFERRED TO BALANCE SHEET		<u>(492,724,151)</u>	<u>(593,957,566)</u>
Earning Per Share before Extra Ordinary Items			
Basic and Diluted EPS		(0.50)	(0.40)
Earning Per Share after Extra Ordinary Items			
Basic and Diluted EPS		7.06	(0.40)

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

This is the Profit & Loss Account referred to in our report of even date

FOR & ON BEHALF OF THE BOARD

Sd/-

Rattan Bansal
Partner
Membership No. 083929
For and on behalf of
M/s. Rattan Anil & Co.
Chartered Accountants
Firm Regn. No. : 009414N

DIN No:

Sd/-

G. S. SANDHU
MANAGING DIRECTOR
00053527

Sd/-

Dr. R.P. SINGH
WHOLE TIME DIRECTOR
03615102
CHIEF FINANCE OFFICER
PAN NO. AXRPS3807K

Place : NEW DELHI
Date : 30.05.2015

Tarai Foods Limited

TARAI FOODS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

	For the Period 31st March, 2015	For the Period 31st March, 2014
A. Cash Flow from Operating Activities		
Net Loss Before Tax & Extraordinary items	101,233,416	(5,721,596)
Adjustments for		
Depreciation	4,932,672	5,116,725
Finance Cost	7,214	10,602
Amounts Written Off	532	70
Operating Profit/ (Loss) before Working Capital Changes	106,173,834	(594,199)
Adjustment for		
Trade & Other Receivables	124,959	194,001
Loans and Advances	16,338	(75,507)
Inventories	749,277	801,937
Trade and other Payable	1,234,497	(1,497,575)
Cash Generated from operations	108,298,905	(1,171,343)
Finance Cost	(7,214)	(10,602)
Taxes Paid	-	-
Net Cash from Operating Activities (A)	108,291,691	(1,181,945)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(33,085)	-
Addition in Capital W-I-P	-	(676,790)
Cash Flow before Extraordinary Items	(33,085)	(676,790)
Adjustments for Extraordinary Items		
Net Cash used in Investing Activities (B)	(33,085)	(676,790)
C. Cash Flow From Financing Activities		
Proceeds from Issue of Share Capital & Share Premium	-	-
Increase in unsecured loans	4,000,000	1,000,000
Proceeds from Long Term Borrowings	-	-
Repayment to Financial Institutions and Banks	(4,000,000)	-
Cash Flow before Extraordinary Items	-	1,000,000
Adjustments for Extraordinary Items	(108,406,672)	-
Net Cash used in Financing Activities (C)	(108,406,672)	1,000,000
Net Increase in Cash & Cash Equivalents (A+B+C)	(148,068)	(858,737)
Cash & Cash Equivalents as at the beginning of the period(note below)	424,704	1,283,441
Cash & Cash Equivalents as at the close of the period.(note below)	276,636	424,704
Cash & Cash Equivalents including		
-Cash in hand	30,179	33,046
-Balances with Scheduled Banks	28,421	186,757
-Fixed Deposit with Bank	218,038	204,901
Total	276,638	424,704

Notes:

- 1 Previous period figures have been regrouped/reclassified, wherever necessary to conform to current year presentation.
- 2 Figures in brackets represent outflows.
- 3 The above cash Flow Statement has been prepared under the 'Indirect Method' as per Accounting Standard-3 (AS-3).

As per our Report of even date.

For and on behalf of
Rattan Anil & Co.
Chartered Accountants
Firm Regn. No. : 009414N

Sd/-
Rattan Bansal
Partner
Membership No.083929

Place : New Delhi
Date: 30th May, 2015

FOR & ON BEHALF OF THE BOARD

Sd/-
G.S. SANDHU
MANAGING DIRECTOR
00053527

Sd/-
Dr. R.P. SINGH
WHOLE TIME DIRECTOR
03615102
CHIEF FINANCE OFFICER
PAN NO. AXRPS3807K

Tarai Foods Limited

NOTE 1: SHARE CAPITAL

	31-Mar-15	31-Mar-14
AUTHORISED CAPITAL:	Rs.	Rs.
32,000,000 Equity Shares of Rs. 10/- each (32,000,000 Equity Shares of Rs. 10/- each)	320,000,000	320,000,000
150,000 (last year 150,000) Cumulative Convertible Preference Share Of Rs.100 /- each	15,000,000	15,000,000
	335,000,000	335,000,000
 ISSUED, SUBSCRIBED, CALLED UP AND PAID UP		
17,728,120 Equity Shares of Rs. 10 each , fully called up (previous year 17728120 Equity Shares)	177,281,200	177,281,200
LESS: Calls in arrears-	33,900,000	33,900,000
-- By directors and officers Rs. 1.03 cr. (PY Rs. 1.03 crs.)		
-- By others Rs. 2.364 crs.(PY Rs. 2.364 crs.)	143,381,200	143,381,200

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

Name of the Shareholders	As at 31.03.15		As at 31.03.14	
	No. of Shares	% held	No. of Shares	% held
Galway Investments Pvt. Ltd.	6328100	35.70%	6328100	35.70%
G.S. Sandhu	1658562	9.36%	1658562	9.36%
Arihant Technology Pvt. Ltd.	1000000	5.64%	1000000	5.64%
Sunbright Foods Pvt. Ltd.	1000000	5.64%	1000000	5.64%

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

Particulars	31-Mar-15	31-Mar-13
	No. of Shares	No. of Shares
Equity Shares at the beginning of the Year	17,728,120	17,728,120
Add: Share issued during the year	0	0
Less: Shares cancelled	0	0
Equity Shares at the end of the Year	17,728,120	17,728,120

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 any 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 2: RESERVES & SURPLUS

	31-Mar-15	31-Mar-14
	Rs.	Rs.
RESERVES AND SURPLUS		
Share Premium Reserve		
At the beginning and at the end of the year	36,959,311	36,959,311
SURPLUS		
Debit Balance in profit & Loss A/c.		
As per Last Balance Sheet	(593,957,567)	(588,235,971)
Add: Profit/ (losses) for the Year	101,233,416	(5,721,596)
At the end of the Year	(492,724,151)	(593,957,567)
TOTAL	(455,764,840)	(556,998,256)

Tarai Foods Limited

NOTE 3: LONG TERM BORROWINGS:

Refer Note no.: 22 (9)	31-Mar-15	31-Mar-14
------------------------	-----------	-----------

Rs. Rs.

Secured:

TERM LOAN FROM FIS AND BANKS:

- Rupee Term Loan	34,000,000	46,500,000
- Interest Accrued and Due	289,908,157	399,884,829
	323,908,157	446,384,829

Less: Repayments under negotiated settlement	10,000,000	20,070,000
----------------------------------------------	------------	------------

* Term Loans from financial institutions / Bank are secured by mortgage of Company's immovable properties, both present & future and hypothecation by way of first charge on the Company's movable assets (except book debts) including movable machinery, machinery spares, tools and accessories, present & future, and guaranteed by the promoters of the Company as per the terms of the agreement.

All these term loans are overdue for repayment.

These are further secured by Personal Guarantee of Mr. G.S. Sandhu (Director) and Mr. Bhooi.

	313,908,157	426,314,829
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NOTE 4: OTHER LONG TERM BORROWINGS:

Refer Note no. 22(21)	31-Mar-15	31-Mar-14
-----------------------	-----------	-----------

Rs. Rs.

UNSECURED LOANS:

- From Others		
- From Directors	15,250,000	11,250,000
- From others#	4,000,000	4,000,000
	19,250,000	15,250,000

Includes unsecured loan from a Company listed in the Register maintained u/s 189 of the Companies Act, 2013.

NOTE 5: LONG TERM PROVISIONS

(Refer Note No. 21 (6) and 22(12))

PROVISION FOR EMPLOYEE BENEFITS

- Provision for Gratuity (unfunded)	808,053	660,925
- Provision for Earned Leaves (unfunded)	71,036	86,872
	879,089	747,797

NOTE 6 : TRADE PAYABLES

(Refer note no.: 22(6) and 22(21))

Sundry Creditors- Due to Others	13,091,412	13,193,922
- Due to Micro, small and Medium Enterprises	0	0
	13,091,412	13,193,922

NOTE 7: OTHER CURRENT LIABILITIES

UNSECURED:

Security deposits	304,700	104,700
Other Payables:		
Advances from Customers	215,134	116,896
Expenses Payable	1,786,328	905,823
Other Statutory Dues	2,551,890	2,423,708
	4,553,352	3,446,427
	4,858,052	3,551,127

Tarai Foods Limited

NOTE 8 : SHORT TERM PROVISIONS

(Refer Note no. 21(6) and 22 (12))

Current Portion of Long Term Employee Benefits:

- Provision for Gratuity (UNFUNDED)	130,782	216,048
- Provision for Earned Leaves (UNFUNDED)	15,995	31,939
	146,777	247,987

NOTE 9: FIXED ASSETS (Refer Note nos. 21 (2) and 21(3) and Note No. 22 (13))										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1-Apr-14	Additions	Sale/ Adjustment	As at 31-Mar-15	As at 1-Apr-14	For the Year	on Sale / Adjustments	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
TANGIBLE ASSETS:										
Land	11,083,208	-	-	11,083,208	-	-	-	-	11,083,208	11,083,208
Approach Road	918,569	-	-	918,569	314,451	558,189	-	872,641	45,928	604,118
Building	34,362,362	-	-	34,362,362	19,159,459	1,358,978	-	20,518,438	13,843,924	15,202,903
Plant & Machinery	84,874,760	-	-	84,874,760	76,823,739	3,007,529	-	79,831,269	5,043,491	8,051,021
Furniture & Fixtures	1,583,047	-	-	1,583,047	1,581,237	-	-	1,581,237	1,810	1,810
Office Equipments	6,315,089	33,085	-	6,348,174	6,140,637	7,975	-	6,148,612	199,562	174,452
Vehicle	679,561	-	-	679,561	676,621	-	-	676,621	2,940	2,939
Total	139,816,595	33,085	-	139,849,680	104,696,145	4,932,672	-	109,628,817	30,220,864	35,120,451
Total	139,816,595	-	-	139,816,595	99,579,418	5,116,725	-	104,696,145	35,120,451	35,120,451
CAPITAL WIP	1,946,127	-	-	1,946,127					1,946,127	1,946,127
									32,166,990	37,066,578

NOTE 10: INVENTORY

(Refer Note no. 21 (5))

	31-Mar-15	31-Mar-14
	Rs.	Rs.
Raw Material	792,660	203,990
W.I.P.	1,090,700	967,798
Finished Goods	351,088	1,975,734
Stores & Spares	204,153	212,058
Fuel, Oil and Lubricants	329,304	139,601
Packing Material	111,967	129,967
	2,879,871	3,629,149

NOTE 11: TRADE RECEIVABLES

(Refer Note no. 22 (2), 22 (4) and 22 (5))

(All the trade receivables are Unsecured)

	31-Mar-15	31-Mar-14
	Rs.	Rs.
Debts outstanding for a period over six months :		
- Unsecured but considered good	14,733	31,181
- Unsecured and considered doubtful	579,118	579,118
Others :		
- Unsecured but considered good	30,009	138,520
- Unsecured and considered doubtful	0	0
Less : Provision for doubtful debts	546,900	546,900
	76,960	201,919

Tarai Foods Limited

NOTE 12: CASH & CASH EQUIVALENTS

	31-Mar-15	31-Mar-14
	Rs.	Rs.
Balances With Banks In Current Accounts	28,421	186,757
Cash on Hand	30,179	33,046
Fixed Deposit with Bank #	218,038	204,901
	276,638	424,704

Fixed Deposit with Banks includes deposit of Rs.NIL (Previous Year Rs. 2.04 lacs) with maturity of more than 12 months.

Fixed Deposit against Bank Guarantee under Central Sales Tax.

NOTE 13: SHORT TERM LOANS AND ADVANCES

(Refer Note No. 22 (5))

	31-Mar-15	31-Mar-14
All are unsecured and Considered Good except as mentioned otherwise		

	Rs.	Rs.
A.) Loan and Advances to Related Parties	0.00	0.00

B.) Loan and Advances to Others: (Unsecured and considered Good)

Advances recoverable in cash or in kind

or for value to be received

- Unsecured but considered good	0	0
- Unsecured and considered doubtful	670,500	670,500

With Statutory Authorities: Unsecured and considered good

- Balance with Income Tax Authorities 2,953,104 2,941,628

- Balance with Sales Tax Authority 114,388 114,388

- Balance with Custom Duty and Excise Duty 100 100

VAT ON INPUT 188,422 188,422

Deposits 769,502 679,358

Others# 323,867 442,357

Less Provision for doubtful Advances 670,500 670,500

Includes Advances to Sundry Creditors

(Advance include amount due from Directors/ Officers

of the Company Rs. Nil /- Previous Year Rs NIL)

(Maximum Balance Rs. Nil (Previous year Rs. Nil)

	4,349,383	4,366,253
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Note 14: REVENUE FROM OPERATIONS

	31-Mar-15	31-Mar-14
--	-----------	-----------

	Rs.	Rs.
Sale of Products	20,703,401	19,067,010
Sale of services	0	300,000
Other Operating Revenues	295,513	165,633
	20,998,914	19,532,643
Less: Exise Duty/service tax	0	0
	20,998,914	19,532,643

Note 15: OTHER INCOME

	31-Mar-15	31-Mar-14
--	-----------	-----------

	Rs.	Rs.
Interest Income on Fixed and security deposits	114,757	66,201
	114,757	66,201

Tarai Foods Limited

NOTE 16: COST OF MATERIALS CONSUMED

	31-Mar-15		31-Mar-14	
	Amt. in Rs.	% of Consumption	Amt. in Rs.	% of Consumption
Imported	0	0	0	0
Indegenous	5661368	100	4895454	100
	5661368	100	4895454	100

CONSUMPTION OF RAW MATERIAL:

	31-Mar-15		31-Mar-14	
	Qty (in MT)	Value (In Rs.)	Qty (in MT)	Value (In Rs.)
Wheat Straw	482	2,066,294	349	1690055
Farmyard Manure	383	193,684	192	100299
Poultry Manure	324	443,668	283	354886
Sweet Corn	54	378,693	12	59950
Raw Peas	0	0	155	1326723
Misc.(Spawn, Gypsum, coir pith, chemicals,cotton rolls etc.		2,579,029		1363541
		5,661,368		4,895,454

NOTE 17: INCREASE / (DECREASE) IN INVENTORY

	31-Mar-15	31-Mar-14
	Rs.	Rs.
Finished Goods		
Opening stock	1,975,734	3,270,058
Closing stock	351,088	1,975,734
	a	1,624,647
Work in progress		
Opening stock	967,798	721,202
Closing stock	1,090,700	967,798
	b	(122,902)
	a + b	1,501,745
		1,047,727

NOTE 18: EMPLOYEE BENEFIT EXPENSES

	31-Mar-15	31-Mar-14
Salaries and Wages	2,117,899	2,156,800
Contribution to Provident and other fund	199,600	188,945
Expenses on ESOP and ESPP	0	0
Staff Welfare Expenses	93,728	72,569
	2,411,227	2,418,314

NOTE 19: FINANCE COST

(Refer Note No. 22 (9))	31-Mar-15	31-Mar-14
	Rs.	Rs.
Interest expense:		
- Term Loan	0	0.00
- Others	0	0.00
- Bank Charges	7,214	10,602.00
Other Borrowing Costs	0	0
	7,214	10,602

Tarai Foods Limited

NOTE 20 : OTHER EXPENSES

MANUFACTURING EXPENSES

Consumption of Stores, spares and packing material	889,495	529,365
Fuel, Power & Water	8,382,426	7,657,238
Repairs to Building	42,719	5,365
Repairs to Machinery	436,249	712,756
Repair & Maintenance - Cold Store	4,965	6,217
A	9,755,854	8,910,941

MARKETING EXPENSES

Loading & Unloading Charges	647	11,074
Freight Outward	80,204	103,340
Cold Store Hire charges	67,987	119,572
B	148,838	233,986

ADMINISTRATIVE EXPENSES

Traveling & Conveyance Expenses	127,666	124,949
Rent	224,240	202,800
General/Board meeting Expenses	5,843	5,194
Miscellaneous Expenses	113,814	78863
Legal & Professional Charges	1,180,551	1,433,057
License & Filing Charges	42,818	56,644
Insurance	0	0
Repair & Maintenance - Office	28,677	85,591
Listing Fee & Expenses	146,068	78,652
Share Registrar Charges	76,404	53,932
Printing & Stationery	182,485	139,183
Telephone Charges	55,857	50,439
Postage Charges	587,156	93,265
Sales Tax Expenses	200	500
Amounts w/off	532	70.00
Debtors w/off	0	0.00
C	2,772,311	2,403,139

TOTAL	A+B+C	12,677,003	11,548,066
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Tarai Foods Limited

Note 21: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. **General:**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 under the historical cost convention on the accounting principles of Going Concern and the Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.
2. **Fixed Assets:**

TANGIBLE ASSETS:
Fixed Assets are stated at cost of acquisition and subsequent improvement hereto including taxes, duties, freight and other incidental expenses related to acquisition and installation. In accordance with AS 28, where there is any indication of impairment of the Company's assets related to cash generating unit, carrying amount of such assets are reviewed at Balance Sheet date.
Capital Work-In-Process 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.
3. **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.
4. **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. Sales are net of value added tax.
5. **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.
6. **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.
7. **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.
8. **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 STATEMENT

1. Contingent Liabilities and commitments:

Contingent Liabilities not acknowledged as debts:

 - a) regarding excise duty on unbranded French fries Rs.0.59lacs (previous Rs.0.59) – Matters under appeal hence interest on such demand not provided for.
 - b) regarding Income Tax approx. Rs. 129.84 lacs (Previous Year Rs. 129.84 Lacs)
2. 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.
3. In the absence of any possibility of taxable profits in the near future, the company has not provided for Deferred Tax Asset as per AS-22. 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.
4. 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 31,2015. 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.

Tarai Foods Limited

5. Disclosure pursuant to Accounting Standard -29: Rs. In lacs
- | | Debtors | Loans and Advances |
|----------------------------------------------|---------|--------------------|
| Provisions for doubtful debts | | |
| Opening balance as on 01.04.14 | 5.47 | 6.71 |
| Provided /Utilised/ Reversed during the year | NIL | NIL |
| Closing balance as on 31.03.2015 | 5.47 | 6.71 |
6. The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act. 2006. There are no micro and small enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. 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 Accounting Standard 17 on "Segment Reporting", 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		2014-15 (Rs. In lacs)	2013-14 (Rs. In Lacs)
Numerator			
Net Loss before Exceptional Items		(61.69)	(57.21)
Net Loss After Exceptional Items		(71.73)	(57.21)
Denominator			
Weighted average Equity Shares	Nos.	14338117	14338117
Basic and Diluted EPS (face value of Rs. 10/- each)			
Before Exceptional Items		(0.43)	(0.40)
After Exceptional Items		(0.50)	(0.40)

9. Interest on secured term loans (IDBI Bank and IFCI Ltd.) with the secured lenders have not been provided for in the books of accounts as the company had entered into negotiated settlement with the Secured Lenders - Financial Institutions in 2009-10. The company made a payment of Rs. 1 crore towards the said settlement in earlier years as part of the settlement but defaulted in the payment of further installments. Both of the secured lenders have revoked the negotiated settlement but the company has approached them again for resettlement of the matter and is hopeful of settlement in the near future. Current provision of Interest of Rs. 28.99 crs. due to the secured lenders along with Principal amount of Rs. 3.40 crs. as per Books of Accounts is more than the settlement amount discussed with these lenders and in view of this, there is no fresh provision of interest made for the year under review in the Books of Accounts.
10. The company has entered into One Time Settlement with one of its secured creditors- International Asset Reconstruction Company Pvt. Ltd. (assigned by Standard Chartered Bank) for Rs.40 Lacs and has completely satisfied their charge. The interest on term loan provided but not paid amounting to Rs.1.08 Crs has been written back and is shown under the head- Extra- Ordinary Items.
11. 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.
12. Liabilities recognized in the Balance Sheet as on 31st March, 2015 with respect to gratuity is Rs. 9.39 Lacs (Previous year Rs. 8.77 lacs) and with respect to leave encashment/ entitlements Rs. 0.87 Lacs (Previous Year Rs. 1.19 lacs) as per the Actuarial Valuation. The following table set out the status of the Gratuity plan as required under AS-15. Reconciliation of the opening and closing value of the defined benefit obligation.

Tarai Foods Limited

		Gratuity Plan		Leave Encashment	
Sr. No.	Components of Employers Expenses	As at March 31, 2015	As at March 31, 2014	As at March 31 2015	As at March 31, 2014
1.	Current Service Cost	73,275	69,858	3,202	13,454
2.	Interest Cost	77,174	49,788	10,455	6,906
3.	Net Actuarial (gain)/ loss recognized in the period	(8,892)	1,34,981	(42,670)	12,132
4.	Expenses Recognized in the statement of Profit & Loss	1,41,557	2,54,627	(29,013)	32,492
Sr. No.	Net Assets/ (Liability) recognized in Balance Sheet	2015	2014	2015	2014
1.	Present Value of defined Benefit obligation	9,38,835	8,76,973	87,031	1,18,811
2.	Fair Value of Plan Assets	--	--	--	--
3.	Status {(Deficit)/ Surplus}	(9,38,835)	(8,76,973)	(87,031)	(1,18,811)
4.	Net Asset/ (Liability) recognized in Balance Sheet	(9,38,835)	(8,76,973)	(87,031)	(1,18,811)
a.	Current	(1,30,782)	(2,16,048)	(15,995)	(31,939)
b.	Non- Current	(8,08,053)	(6,60,925)	(71,036)	(86,872)
Sr. No.	Change in Present Value of Obligations during the Year	2015	2014	2015	2014
1.	Present Value of the Obligation at the Beginning of the Year	8,76,973	6,22,346	1,18,811	86,319
2.	Current Service Cost	73,275	69,858	3,202	13,454
3.	Interest Cost	77,174	49,788	10,455	6,906
4.	Curtailement Cost/ (Credit)	--	--	--	--
5.	Settlement Cost/(Credit)	--	--	--	--
6.	Plan Amendments	--	--	--	--
7.	Acquisitions	--	--	--	--
8.	Actuarial (Gains)/Losses	(8,892)	1,34,981	(42,670)	12,132
9.	Benefits paid	(79,695)	NIL	(2,767)	NIL
10.	Present Value of Obligation at the END of the Year	9,38,835	8,76,973	87,031	1,18,811
Sr. No.	Change in Fair Value of Assets	N.A.	N.A.	N.A.	N.A.
Sr. No.	Actuarial Assumptions	2015	2014	2015	2014
1.	Discount Rate	7.80%	8.80%	7.80%	8.80%
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.

13. 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.
14. 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.
15. 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.
16. The company has been served with a statutory notice under section 13 (2) of Securitization and Reconstruction of the Financial assets and Enforcement of Securities Interest Act, 2002, by IDBI Bank Ltd. in 2007.

Tarai Foods Limited

17. IFCI issued a Notice under section 13(2) of SARFAESI Act, 2002 on 06.07.2011 upon the Company, took over the SYMBOLIC possession of the secured assets of the Company on 04.02.2012 under SARFAESI Act and issued a notice dtd. 7th February, 2012 u/s 13 (4) of the SARFAESI Act, 2002 having obtained consent from all secured lenders.
IFCI Ltd. has filed a case in Delhi High Court u/s 433 (e) and 434 of the Companies Act, 1956 for winding up of the company.

18.

	31 st March, 2015	31-Mar-14
VALUE OF IMPORTS ON CIF BASIS ON RAW MATERIAL, COMPONENTS, SPARE PARTS AND CAPITAL GOODS	NIL	NIL
PAYMENT TO AUDITORS AS:		
-- AUDIT FEES (RATTAN ANIL & CO.)	44,944	33,090
-- TAX AUDIT FEES (R.L. BANSAL & ASSOCIATES)	10,000	6,000
-- FOR COMPANY LAW MATTERS, MANAGEMENT AND OTHER SERVICES	-	-
-- REIMBURSEMENTS	2,500	2,000
-- COST AUDITOR	22,800	22,472
TOTAL	80,244	63,562
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 EXPORT OF GOODS, ROYALTY, KNOWHOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST, DIVIDEND AND OTHER INCOME	NIL	NIL

19. The access to the factory is through the land owned by third party. A case has been filed and admitted in the local courts of Rudrapur in earlier year denying the access to the Factory through the land under control of third Party.
20. Exceptional Items include interest of Rs.3.44 lacs u/s 7Q and damages of Rs. 6.60 lacs u/s 14B levied on non deposit of Provident fund for the period July, 2007 to December, 2010 under the Employees' Provident Fund and Misc. Provisions Act, 1952.
21. Related Party Disclosure- As per AS 18, the disclosure of transactions with the related parties are given below:
- a. List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:
- | Sr. No. | Name of the Related Party | Relationship |
|---------|---------------------------|--------------------------------------------------------|
| 1. | Mr. G.S. Sandhu- | Key Management Personnel |
| 2. | Dr. Ram Pyare Singh | Key Management Personnel |
| 3. | Kiran Sandhu | Relative of Key Managerial Person |
| 4. | Suraiya Exports Pvt. Ltd. | } Company in which Key Managerial Person are Directors |
| 5. | Tarai Farmlands Pvt. Ltd. | |
- b. Details of transactions during the year with related parties:
- | Nature of transactions | Relationship | Key Managerial Personnels (KMP)
(Rs. In Lacs) | |
|------------------------------|----------------------------------------------------|--------------------------------------------------|---------|
| | | 2014-15 | 2013-14 |
| Loans from KMP received | | 40 | |
| Balance as at 31.03.2015 | | | |
| 1. Unsecured Loan received: | | | |
| a. G.S. Sandhu | Key managerial Person | 152.50 | 112.50 |
| b. Tarai Farmlands Pvt. Ltd. | Company in which Key Managerial Person is Director | 40.00 | 40.00 |
| 2. Sundry Creditors | KMP/ relatives | 5.60 | 5.60 |
22. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

BOOK - POST

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TARAI FOODS LIMITED

Regd. Office :

13, Hanuman Road, Connaught Place,
New Delhi-110001 Tel.: 0120-2485183

Email : taraifoods@gmail.com | Web.: www.taraifoods.com

CIN No. : L15142DL1990PLC039291