

Aayush Food and Herbs Limited

Registered Office : 370-A/2, 1st Floor, Chirag Delhi, New Delhi-110017, (India) Tel.: 011-41009092
Email: aayushfoodherbs@gmail.com, www.aayushfoods.com, CIN: L01122DL1984PLC018307

September 05, 2022

To,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001
(Scrip ID – AAYUSH, Scrip Code – 539528)

The Listing Department
Metropolitan Stock Exchange of India Limited,
Vibgyor Towers, 4th floor, Plot No C 62, G - Block,
Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E),
Mumbai – 400 098
(Symbol – AAYUSH, Series – EQ)

Subject: Annual Report of the Company for the Financial Year 2021-22

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2021-2022 along with the Notice convening the 38th Annual General Meeting (AGM) of the Company scheduled to be held Wednesday, September 28, 2022 at 03:00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities Company and Exchange Board of India, the Notice convening the 38th AGM and the Annual Report of the for the financial year 2021-2022 is being sent through electronic mode to all the Members of the Company whose email addresses are registered with the Company/Company's Registrar and Transfer Agent / Depository Participant(s).

The Annual Report for the financial year 2021-2022 including the Notice convening the 38th AGM is also available on the website of the Company at <https://aayushfoods.com/annual-reports>.

Kindly take the same on your record and acknowledge.

Thanking you,
Yours faithfully,
For **Aayush Food and Herbs Limited**


Kajal Mittal
Company Secretary & Compliance Officer

Encl: as above



AAYUSH FOOD AND HERBS LIMITED

ANNUAL REPORT

2021-22

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CORPORATE INFORMATION

CIN: L01122DL1984PLC018307

BOARD OF DIRECTORS

Ms. Pallavi Mittal

Managing Director

Ms. Kamna

Non-Executive Director

Mr. Shashank Shekhar Chaturvedi

Independent, Non-Executive Director

Mr. Rajesh Goel

Independent, Non-Executive Director

KEY MANAGERIAL PERSONNEL

Mr. Pradeep Kumar Karn

Chief Financial Officer

Ms. Kajal Mittal (appointed w.e.f. 21.07.2022)

Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s G A M S & Associates LLP

INTERNAL AUDITORS

Ms. Disha Aggarwal

BANKERS

Kotak Mahindra Bank Limited

UCO Bank

Union Bank of India

RBL Bank

Axis Bank

IndusInd Bank

Allahabad Bank

REGD. OFFICE

370-A/2, First Floor, Chirag Delhi,

New Delhi – 110017

Ph. #011-41009092, 46095455

E-Mail: aayushfoodherbs@gmail.com

Website: www.aayushfoods.com

REGISTRAR AND SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 3rd Floor, 99 Madangir,

Behind Local Shopping Centre,

Near DadaHarsukhDassMandir, New Delhi – 110062

Ph. # 011-29961281 Fax#011-29961284

E-Mail: beetalrta@gmail.com

Website: www.beetalfinancial.com

AAYUSH FOOD AND HERBS LIMITED

CIN: L01122DL1984PLC018307

Registered Office: 370-A/2, First Floor, Chirag Delhi, New Delhi - 110017

Tel No.: 011-46095455, 011-41009092 Email: aayushfoodherbs@gmail.com

Website: www.aayushfoods.com

NOTICE OF 38TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **38th ANNUAL GENERAL MEETING** of the Company will be held on **Wednesday, 28th September, 2022** at **03:00 p.m. (IST)** through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Ms. Kamna (DIN: 07865460), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for reappointment.
3. To Re-appoint Statutory Auditors of the Company and in this regard to consider and, if thought fit, approve with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) **M/s. G A M S & Associates LLP**, Chartered Accountants Firm (Registration No.0N500094), be and is hereby re-appointed as the Statutory Auditors of the Company to hold the office for the term of five years beginning from the conclusion of the ensuing Annual General Meeting (38th AGM) till the conclusion of the 43rd Annual General Meeting of the Company to be held in the year 2027, on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company".

"RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. To approve the re-appointment of Mr. Rajesh Goel (DIN: 05299193), as an Independent Director of the Company for a second term of five consecutive years and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and basis the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Rajesh Goel (DIN: 05299193), Independent Director of the

Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation for a second term of five consecutive years commencing from February 17, 2021 till February 16, 2026.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To approve the re-appointment of Ms. Pallavi Mittal (DIN: 07704583), as Managing Director of the Company for a term of five consecutive years and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Associations of the Company, consent of the Members be and is hereby accorded for re-appointment of Ms. Pallavi Mittal (DIN: 07704583), as Managing Director of the Company, for a period of 5 (Five) consecutive years with effect from 28th June 2022 on same remuneration and terms and conditions as appointed in the previous tenure, also reiterated below:

- i. Salary Rs. 1,10,000/- (Rupees One Lakh Ten Thousand only) per month.
- ii. Reimbursement of medical and hospitalization expenses of the Managing Director and her family subject to a ceiling of one month salary in a year.
- iii. Leave Travel Allowance for the Managing Director and her family once in a year in accordance with the Company policy.
- iv. Bonus for the financial year, at the discretion of the Company
- v. Reimbursement of expenses incurred by her on account of business of the Company in accordance with the Company policy.
- vi. The Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine.
- vii. OTHER BENEFITS: Such other benefits, amenities, facilities, allowances and perquisites as per rules of the Company applicable to Senior Executives or as may be permitted by the Board of Directors
- viii. SITTING FEE: The Managing Director shall not be paid any sitting fee for attending meetings of the Board of Directors or any Committee(s) thereof.

NOTE: All the above perquisites shall be interchangeable, i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisites. The perquisites shall be evaluated as per Income Tax Rules, wherever applicable.”

“RESOLVED FURTHER THAT Ms. Pallavi Mittal shall be liable to retire by rotation and the remuneration of Ms. Pallavi Mittal is as per remuneration policy of the Company.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year comprised in the period of appointment, the above remuneration will be deemed to be minimum remuneration. However, such minimum remuneration shall not exceed the limits prescribed under

schedule V of the Companies Act, 2013 and the rules made there under or any statutory modifications or re-enactment thereof.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Date: 25.08.2022

Place: New Delhi

**By Order of the Board of Directors
For Aayush Food and Herbs Limited**

Sd/-

Kajal Mittal

Company Secretary & Compliance Officer

Membership No.: A58861

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. The Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022 (collectively referred to as "MCA Circulars") read with Securities and Exchange Board of India ("SEBI") circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively referred to as "SEBI Circulars"), permitted the companies for holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the 38th AGM of the Company is being held through VC / OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 16.
2. In compliance with the aforesaid Circulars, this AGM Notice along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The AGM notice and Annual Report of the Company are also made available on the Company's website at www.aayushfoods.com and on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited and Metropolitan Stock Exchange of India Limited at www.bseindia.com and www.msei.in respectively.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

4. Corporate Members (i.e. other than individual / HUF, NRI etc.) intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM and to vote through remote e-voting.
5. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business under Item No. 04 of the accompanying Notice are annexed hereto.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting facility by first holder.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. upto the date of this Annual General Meeting ("AGM").
8. The Register of Members and Share Transfer Books of the Company will remain closed from **September 22, 2022 to September 28, 2022** (both days inclusive), for purposes of AGM.
9. Members are requested to notify immediately any change in their all correspondence to the Company / Registrars and Transfer Agents of the Company.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent ("RTA"), **Beetal Financial & Computer Services (P) Ltd.** for assistance in this regard.
12. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary so as to reach the Company at least seven days before the date of the meeting so that the required information may be made available at the meeting. Shareholders/investors may contact the Company on designated e-mail id aayushfoodherbs@gmail.com for speedy action from Company's end.
13. In support of the "Green Initiative", announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting are being sent by e-mail to those members whose e-mail addresses have been made available to the Depository Participants / Company / RTA.
Members holding shares in physical form are requested to submit their e-mail address to the RTA, duly quoting their Folio number and Members holding shares in electronic form who have not registered their e-mail address with their DP are requested to do so at the earliest so as to enable the Company to send the said documents in electronic form, thereby supporting the green initiative of the MCA.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

16. Voting through electronic means:

- (i) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and any other rule as may be applicable including amendments thereof, a member may exercise right to vote by electronic means (remote e - voting) in respect of the Resolutions contained in this notice.
- (ii) The Company is providing the e - voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of by Central Depository Services (India) Limited (CDSL) as the authorised agency to provide e - voting facility which is approved by Ministry of Corporate Affairs and has also obtained a Certificate from the Standardisation Testing and Quality Certification Directorate, Department of Information Technology, Ministry of Communications and Information Technology, Government of India, as prescribed under the Companies (Management and Administration) Amendments Rules, 2015.
- (iii) The members who opt to cast their votes by remote e - voting prior to the meeting, may attend the meeting through VC / OAVM however, shall not be entitled to cast their vote again.
- (iv) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis
- (v) The Company has appointed Mr. K. O. Siddiqui, Practicing Company Secretary (FCS: 2229, CP: 1284) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
- (vi) Members are requested to carefully read the instructions for e-voting before casting their vote.
- (vii) The e-voting module shall be disabled for voting on **Tuesday, September 27, 2022, at 05:00 p.m. (IST)**. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently. The voting right of the shareholders shall be in proportion to their share in the paid up capital of the Company as on the **cut - off date** i.e. **21 September, 2022** (end of day).
- (viii) The Scrutinizer shall after the conclusion of voting at the general meeting, will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the meeting or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairperson or a person authorized by him/her in writing. The results shall also be immediately forwarded to the BSE Limited and Metropolitan Stock Exchange of India Limited.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Sunday, September 25, 2022 at 09:00 a.m. (IST)** and ends on **Tuesday, September 27, 2022 at 05:00 p.m. (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 21, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to above said SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method

<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System My easi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the

	remote e-voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (iv) Login method for e-voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <AAYUSH FOOD AND HERBS LIMITED>on which you choose to vote.

- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; aayushfoodherbs@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at aayushfoodherbs@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at aayushfoodherbs@gmail.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective **Depository Participant (DP)** which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

ANNEXURE TO THE NOTICE OF THE 38TH ANNUAL GENERAL MEETING

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

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 03.

The term of the existing Statutory Auditors of the Company, M/s. G A M S & Associates LLP, Chartered Accountants (Firm Registration No.: 0N500094), would expire on the conclusion of the forthcoming Annual General Meeting ("AGM") of the Company. They were appointed as the Statutory Auditors of the Company by the shareholders of the Company at their AGM held on 30/11/2021 for a period of 1 year till the conclusion of ensuing AGM.

The Board of Directors at their meeting held on 25/08/2022, based on the recommendations of the Audit Committee, have proposed to the shareholders the re-appointment of M/s. G A M S & Associates LLP, Chartered Accountants (Firm Registration No.: 0N500094), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this 38th AGM till the conclusion of 43rd AGM of the Company to be held in the year 2027.

For recommending the re-appointment of M/s. G A M S & Associates LLP, as the Statutory Auditors of the Company for the above stated term, the Audit Committee and the Board of Directors have considered various factors such as eligibility, integrity, independence of the firm, experience in conducting the audit of listed companies of similar size, nature of operations and industry, experience, competency of the audit team and efficiency in conduct of audit, found them to be best suited for re-appointment.

M/s. G A M S & Associates LLP have given their consent to act as the Statutory Auditors of the Company for the above stated term and have confirmed that their appointment, if made, will be in accordance with the conditions specified under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. Details required to be provided as per Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to the appointment of the Statutory Auditors is provided below:

Particulars	Details
Proposed fees payable to the statutory auditor(s)	<p>Remuneration of Rs. 4,00,000 (Rupees Four lakhs only) plus applicable taxes and reimbursement of out-of pocket expenses incurred be paid to M/s. G A M S & Associates LLP, Chartered Accountants as the Auditors of the Company to conduct the audit for each financial year.</p> <p>The Board of Directors of the Company subject to the recommendation of Audit Committee may alter the fee structure of M/s. G A M S & Associates LLP and take other permitted services from them as permitted under the Act/ Listing Regulations</p>
Terms of appointment	As detailed in resolution/ explanatory statement
Any material change in the fee payable to the new auditor from that paid to the outgoing auditor along with the rationale for such change.	Not Applicable
Brief Profile of the firm	<p>GAMS & ASSOCIATES LLP is a firm of Chartered Accountants and Management Consultants established in 1984 and registered under the LLP Act and with the Institute of Chartered Accountants of India. Its current head office is in New Delhi. The firm has offices operational in NCR - South Delhi, Central Delhi and Noida. And has operational associates in Jaipur, Mumbai, Goa, Gwalior, Jodhpur and Ahmedabad.</p> <p>The firm is engaged in rendering comprehensive, professional services which includes Audit & Assurance - Statutory & Management, Income Tax - planning & assessments, Treaty Shopping, International Taxation, Transfer Pricing, Foreign Exchange Consulting, IndAS& IFRS restatement, Accounting, Payroll, Outsourcing and Corporate Services, GST, Due Diligence, Valuation, Company Law, and Restructuring to well diversified national and multinational clients in varied industry ranging from Information Technology, Aviation, Hospitals, Travel & Tourism, Power, Oil & Gas, OEM's, Manufacturing, Real estate, Retail, Construction, Liquor, Retail, Banking, NBFC and the Not-For-Profit sector.</p> <p>The firm is empanelled with Comptroller and Auditor General of India. The partners have over the last three and half decades developed expertise and experience in various areas as described above. The partners bring with them substantial corporate experience, as they have been associated with large corporate houses in various capabilities including heading the finance and accounts and have exposure to businesses operating in India, US, Australia, Europe and Africa.</p>

None of the Directors and Key Managerial Personnel and their relatives, are in any way, financially or otherwise, concerned or interested in the passing of the Resolution set out at Item No. 03 of the Notice.

The Board of Directors of the Company recommends the resolution set forth at Item no. 03 of the accompanying notice for the approval of the shareholders as an Ordinary Resolution.

Item No. 04.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ re-appointment of a Director.

In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report.

The Company has received the consent from Mr. Rajesh Goel to act as the Director in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act.

After taking into account the performance evaluation, during his first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Rajesh Goel during his tenure as an Independent Director since his appointment, the Board of Directors after recommendation of Nomination and Remuneration Committee has considered and approved the re-appointment of Mr. Rajesh Goel as an Independent Directors for a second term of five years with effect from February 17, 2021, subject to approval of members at the General Meeting.

Pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS- 2"), issued by the Institute of Company Secretaries of India, Details of Directors seeking appointment/ re-appointment at the ensuing Meeting are provided and forms a part of the Notice.

The Board therefore recommends the resolution for your approval.

Except Mr. Rajesh Goel being an appointee, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested financial or otherwise, in the resolution set out at item no. 04.

Item No. 05.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ re-appointment of a Director.

Ms. Pallavi Mittal was appointed as Managing Director of the Company in the 33rd Annual General Meeting by the members of the Company for a period of five years w.e.f. June 28, 2017 and her office as Managing Director was due to expire on June 27, 2022. The Board of Directors on recommendation of the Nomination and Remuneration Committee at its meeting held on May 30, 2022 re-appointed Ms. Pallavi Mittal (DIN: 07704583) as Managing Director of the Company with effect from June 28, 2022 for the period of (5) five consecutive years subject to approval of shareholders in ensuing Annual General Meeting on the terms and conditions as set out in the resolution.

For the purpose, an agreement has been entered into by the Company with the Managing Director on May 30, 2022. In accordance with the provisions of sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) the re-appointment of Ms. Pallavi Mittal as Managing Director is subject to the approval of the Members on the terms and conditions as mentioned in resolution.

Pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS- 2"), issued by the Institute of Company Secretaries of India, Details of Directors seeking appointment/ re-appointment at the ensuing Meeting are provided and forms a part of the Notice.

The Board therefore recommends the resolution for your approval.

Except Ms. Pallavi Mittal being an appointee, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested financial or otherwise, in the resolution set out at item no. 05.

Annexure

Additional Information required to be given as per SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is given below:

Name of the Director	Ms. Kamna (DIN: 07865460)	Ms. Pallavi Mittal (DIN: 07704583)	Mr. Rajesh Goel (DIN: 05299193)
Date of Birth (dd/mm/yyyy) (Age)	18/03/1981 (41 years)	12/09/1989 (32 years)	07/01/1953 (69 years)
Date of first appointment on the Board	26/08/2019	13/01/2017	17/02/2016
Qualification(s)	Graduate	Graduate	Graduate
Experience (including expertise in specific functional area)	She has an experience of more than 10 years in the field of Sales & Marketing.	She has an experience of more than 08 years in Managerial Administration.	He has an experience of more than 22 years in the business of agricultural commodities, production & processing of food etc.
Terms & Conditions of Appointment/Re- appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	As mutually agreed by the parties and liable to retire by rotation. Remuneration- Not Applicable	As mutually agreed by the parties and liable to retire by rotation. Last drawn remuneration for FY 2021-22 is Rs. 13,20,000/-	As mutually agreed by the parties and not liable to retire by rotation. Remuneration- Not Applicable
Shareholding in the Company (as on 31.03.2022)	NIL	10,55,378 shares i.e. 32.52%	NIL
Relationship with other Directors and KMPs	None of the Directors of the Company are inter-se related to each other or with the Key Managerial Personnel of the Company		

Board Membership of other companies [excluding AFHL] as on March 31, 2022	NIL	NIL	NIL
Chairman [C]/Member [M] of the Committee of the Board of Directors of the companies in which he/she is a director as on March 31, 2022	Aayush Food and Herbs Limited - Nomination & Remuneration Committee [M]	Aayush Food and Herbs Limited - Audit Committee [M] - Stakeholders' Relationship Committee [M]	Aayush Food and Herbs Limited - Audit Committee [C] - Nomination & Remuneration Committee [C] - Stakeholders' Relationship Committee [C]
No. of Board Meetings attended during FY 2021-22	8	11	11

Date: 25.08.2022

Place: New Delhi

**By Order of the Board of Directors
For Aayush Food and Herbs Ltd.**

Sd/-

Kajal Mittal

Company Secretary & Compliance Officer

Membership No.: A58861

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 38th Annual Report of the Company along with the statement of Accounts for the financial year ended 31 March, 2022.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Gross Income from Sales & other operations	1,809.26	15161.10
Profit / (Loss) before depreciation and taxes	(203.02)	73.33
Less : Depreciation	6.72	14.35
Profit / (Loss) before taxes	(209.74)	58.98
Less : Provision for taxes including deferred taxes (reversed)	(2.01)	16.50
Profit / (Loss) after taxes	(207.73)	42.48
Profit / (Loss) carried forward to Reserves & Surplus	(207.73)	42.48
Earning Per Share (in Rs.)	(6.40)	1.31

PERFORMANCE

During the year under review, your company has achieved total revenue of Rs. 1809.26 Lakhs. The Company has incurred a Profit/(Loss) after Tax of Rs. (207.73) Lakhs as compared to Profit after Tax ("PAT") of Rs. 42.48 Lakhs of last year due to continuing pandemic conditions. Your company is optimistic for the Financial Year 2022-23.

DIVIDEND

Due to loss suffered by the Company, your directors express their inability to recommend dividend for the financial year ended on March 31, 2022.

RESERVES

During the year under review, the Company has not transferred any amount to the General Reserve. Losses incurred were adjusted against the general reserve and earlier tax adjustments were made. The General Reserve of the Company stood at Rs. 75,48,818/- as at 31.03.2022.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2022 stood at Rs. 3,24,50,000/-. During the year under review, there was no change in the Company's Issued, Subscribed and Paid-up Equity Share Capital. The Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

DEPOSITS

During the year under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Board of Directors consists of 4 (Four) Directors as prescribed below:

Composition of Board and Directorships held as on March 31, 2022

Sr. No.	Name of the Director	Category	Directorships held in other Companies
1.	Pallavi Mittal	Managing Director	Nil
2.	Rajesh Goel	Independent, Non-Executive Director	Nil
3.	Kamna	Non-Executive Director	Nil
4.	Shashank Shekhar Chaturvedi	Independent, Non-Executive Director	Nil

The Company is in compliance with the composition of Board of Directors in terms of the Companies Act, 2013. All Independent Directors have confirmed that they have met the criteria as mentioned under Section 149(7) of the Companies Act, 2013 (“Act”).

During the year under review, following changes occurred in the position of Directors/KMP's of the Company:

Appointment/Re-appointment/Retirement of Directors:

- In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Ms. Kamna (DIN: 07865460), Director of the Company, shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers herself for re-appointment, on the same terms and conditions on which She was appointed/ re-appointed.
- In accordance with the provisions of section 149(10) of the Companies Act, 2013, re-appointment of Mr. Rajesh Goel (DIN: 05299193), as an Independent Director of the Company for a second term of five consecutive years commencing from February 17, 2021 till February 16, 2026 subject to approval of members at the forthcoming Annual General Meeting of the Company. He has

submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and that he is eligible for re-appointment.

- In accordance with the provisions of sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, re-appointment of Ms. Pallavi Mittal as Managing Director of the Company for a term of five consecutive years commencing from June 28, 2022 subject to the approval of the Members at the forthcoming Annual General Meeting of the Company.

Key Managerial Personnel:

The following persons are the Key Managerial Personnel (KMP's) of the Company in accordance with the provisions of Section 203 of Companies Act, 2013 and rules made there under:

Name of KMP's	Designation
Mr. Pradeep Kumar Karn*	Chief Financial Officer (appointed w.e.f. 14.01.2022)
Ms. Kajal Mittal**	Company Secretary & Compliance Officer (appointed w.e.f. 21.07.2022)

*During the year under review, Mr. Danish Ahmed has resigned from the post of Chief Financial Officer with effect from July 14, 2021 and in his place Mr. Pradeep Kumar Karn is appointed by the Board of Directors as Chief Financial Officer of the Company with effect from January 14, 2022 in the Board Meeting held on January 14, 2022.

**During the year under review, Ms. Preeti Kataria has resigned from the post of Company Secretary & Compliance Officer with effect from June 18, 2022 and in her place Ms. Kajal Mittal is appointed by the Board of Directors as Company Secretary & Compliance Officer of the Company with effect from July 21, 2022 in the Board Meeting held on July 21, 2022.

DECLARATION BY INDEPENDENT DIRECTORS

In terms of Section 149(7) read with Schedule IV of the Companies Act, 2013, the Company has received necessary declaration from all the Independent Directors of the Company. All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act, Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

NUMBER OF BOARD MEETINGS HELD

The Board meets at regular intervals to discuss and decide on policy and strategy apart from other business discussions. During the year under review, the Board of Directors duly met on Eleven (11) occasions viz. 05.06.2021, 08.06.2021, 16.07.2021, 08.08.2021, 18.08.2021, 01.09.2021, 20.09.2021, 29.10.2021, 12.11.2021, 14.01.2022 and 14.02.2022 in respect of which proper notices were given and the proceedings were properly recorded. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013. (Due to prevailing COVID-19 pandemic, the Company has availed the relaxation provided by SEBI vide Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021 and MCA vide General Circular No. 08/2021 dated May 03, 2021.)

COMMITTEES OF THE BOARD

The Board has constituted the following committees in compliance with the Companies Act, 2013:

Audit Committee:

The Audit Committee of the Company consists of Mr. Rajesh Goel as Chairman, Ms. Pallavi Mittal and Mr. Shashank Shekhar Chaturvedi as Members as at 31.03.2022. The Composition and Terms of Reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 and rules made thereunder.

During the year under review, the Audit Committee met on six (6) occasions viz. 05.06.2021, 08.06.2021, 16.07.2021, 18.08.2021, 12.11.2021 and 14.02.2022 to deliberate on various matters. The members of the Committee are the persons with ability to read, understand the Financial Statement. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. (Due to prevailing COVID-19 pandemic, the Company has availed the relaxation provided by SEBI vide Circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021 and MCA vide General Circular No. 08/2021 dated May 03, 2021). There have been no instances, where the Board has not accepted any recommendation of the Committee. The necessary quorum was present at all the Meetings.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company consists of Mr. Rajesh Goel as Chairman, Ms. Kamna and Mr. Shashank Shekhar Chaturvedi as Members as at 31.03.2022. The Composition and Terms of Reference of the Nomination and Remuneration Committee are in line with Section 178 of the Companies Act, 2013 and rules made thereunder.

During the year under review, the Nomination and Remuneration Committee met on two (2) occasions viz. 05.06.2021 and 14.01.2022. The necessary quorum was present at all the meetings.

Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of the Company consists of Mr. Rajesh Goel as Chairman, Ms. Kamna and Mr. Shashank Shekhar Chaturvedi as Members as at 31.03.2022. The Composition and Terms of Reference of the Stakeholders Relationship Committee are in line with Section 178 of the Companies Act, 2013 and rules made thereunder.

During the year under review, the Stakeholders Relationship Committee met on one (1) occasion viz. 14.02.2022. The members of the Committee effectively address shareholders' grievances. The necessary quorum was present at all the meetings. No complaints remained unattended/ pending for more than thirty days. The Company has no share transfers/ transmission pending as on 31st March, 2022. Further, no shareholders' complaint/ grievance were received under 'SCORES' during the Financial Year 2021-2022.

The Company also obtains a Certificate of Compliance with the share transfer formalities from a Practicing Company Secretary as required under Regulation 40(9) of SEBI Listing Regulations and has submitted a copy of the said certificate with the Stock Exchange on a yearly basis.

Attendance Details of Board and Committee Meetings held during the Financial Year 2021-2022:

The details of meetings attended by the Members of Board as well as Committees are as follows:

Name of Director	Category	No. of Board Meetings attended	No. of Committee Meetings Attended		
			Audit	Nomination and Remuneration	Stakeholders Relationship
Pallavi Mittal	Executive Director	11 out of 11	6 out of 6	N.A.	1 out of 1
Rajesh Goel	Independent, Non-Executive Director	11 out of 11	6 out of 6	2 out of 2	1 out of 1
Kamna	Non-Executive Director	6 out of 11	N.A.	2 out of 2	N.A.
Shashank Shekhar Chaturvedi	Independent, Non-Executive Director	11 out of 11	6 out of 6	2 out of 2	1 out of 1

ANNUAL RETURN

The Annual Return of the Company, pursuant to sub-section 3(a) of Section 134 and the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2021-2022 in the Form MGT-7 has been uploaded on Company's website and the web link for the same is <https://aayushfoods.com/corporate-announcements>.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that: -

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

PARTICULARS OF EMPLOYEES

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said rules. The information required pursuant to Section 197 of Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and other entitled thereto, excluding the information on employee's particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

Further, none of the employees of the Company drew remuneration of Rs.1,02,00,000/- or more per annum and Rs.8,50,000/- or more per month during the year. No employee was in receipt of remuneration during the year or part thereof which, in the aggregate, at a rate which is in excess of the remuneration 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 two percent of the equity shares of the company.

FORMAL ANNUAL/BOARD EVALUATION

Pursuant to the Section 134(3) of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as directors individually. Further, the Independent Directors of the Company met once during the year, to review the performance of the Non-Independent Directors and performance of the Board as a whole, review the performance of the Chairperson taking into account the views of non-executive directors, Composition of Board / Committees, Quality and timely flow of information that is necessary for the Board to effectively and reasonably perform their duties, frequency of meetings and level of participation in discussions were some of the parameters considered during the evaluation process and to take note of amendments and legal updates related to independent directors.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee recommends to the Board, the Company's policy on Directors', Key Managerial Personnel and Senior Management appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters as per Section 178(3) of the Companies Act, 2013. During the financial year under review, no changes have been carried out in the said Policy. The Nomination and Remuneration Policy is available on the Company's website and the web link for the same is https://www.aayushfoods.com/files/corporate-announcements/ca_policy_0012.pdf.

Further as mandated by proviso to Section 178(4) of the Companies Act, 2013, Nomination and Remuneration Policy is annexed as “**Annexure-A**” hereto and forms part of this report.

INTERNAL FINANCIAL CONTROL

The Company is maintaining an efficient and effective system of Internal Financial Control for the facilitation of speedy and accurate compilation of financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations and procedures. Further, the statutory auditors of the Company have verified the systems and processes and confirmed that the internal financial controls system over financial reporting is operating effectively.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed Ms. Disha Aggarwal, Chartered Accountant as an Internal Auditor of the Company. The Company has in place adequate internal financial control systems with reference to the Financial Statements. The Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements forming a part of this Annual Report.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES AND HOLDING COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company and Holding Company as on March 31, 2022. Hence, the Company has not enclosed Form AOC-1.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report as "**Annexure-B**".

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on Corporate Social Responsibility.

RELATED PARTY TRANSACTIONS

All related party contracts/arrangements/transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. During the year under review, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There were no materially significant related party transactions made by the Company which may have a potential conflict of the interest with its Promoters, Directors, Key Managerial Personnel, or other persons. All such Related Party Transactions are placed before the Audit Committee for approval, wherever applicable.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. For further details, please refer to the notes (refer Note 27) to the financial statements.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Act and Rules framed thereunder.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company in accordance with Section 177 (9) of the Companies Act, 2013 has established a Vigil Mechanism/Whistle Blower Policy to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or grievances & to provide adequate safeguards against victimization of persons who may use such mechanism. The mechanism provides for direct access to the Ombudsperson appointed by the Company to receive all such complaints under this policy and ensure appropriate action.

The Audit Committee reviews and ensures the adequacy of the system laid down by the Company for the said purpose and no concern was reported during the financial year ended March 31, 2022. The Vigil Mechanism/Whistle Blower Policy is posted on the website of the Company and the web link for the same is https://www.aayushfoods.com/files/corporate-announcements/ca_policy_0011.pdf.

CORPORATE GOVERNANCE

Pursuant to provisions of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not be applicable to the Company as the paid up equity share capital of the Company is Rs. 3,24,50,000/- (Rupees Three Crores Twenty Four Lakhs Fifty Thousand Only) and net worth of the Company is Rs. 4,74,98,817/- (Rupees Four Crores Seventy Four Lakhs Ninety Eight Thousand Eight Hundred And Seventeen Only) as on the last day of the previous financial year i.e. March 31, 2022 which is not exceeding Rs. 10 Crores and Rs. 25 Crores, respectively as per the latest audited Financial Statements as at March 31, 2022.

Whenever this regulation becomes applicable to the Company at a later date, the Company shall comply with requirements of this regulation within six months from the date on which such provisions became applicable to the Company.

RISK MANAGEMENT

The Company has already identified the key risks areas which may affect the business goals and periodically revisits the relevance of the identified risks and progress of the mitigation plans undertaken. The Company has adopted a Risk Management Policy in accordance with the provisions of the Act. It establishes various levels of accountability and oversight within the Company.

The Audit Committee of the Board of the Company has been entrusted with the task to frame, implement and monitor the risk management plan for the Company and it is responsible for reviewing the risk management plan and ensuring its effectiveness with an additional oversight in the area of financial risks and controls.

PREVENTION OF INSIDER TRADING

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code"), as approved by the Board is in force. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of Aayush Food and Herbs Limited at the time when there is unpublished price sensitive information.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

During the year under review, no shares were held in Demat suspense account or unclaimed suspense account of the Company.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy in line with the requirements of The Sexual Harassment of Women at the Work place (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee ("ICC") is in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees etc.) are covered under this Policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2021-22:-

- No. of complaints received – NIL
- No. of complaints disposed of – NIL

MATERIAL CHANGES OR COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes or commitments, affecting the financial position of the company which has occurred between the end of Financial Year March 31, 2022 and the date of this report.

SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS/ COURTS/ TRIBUNALS

There were no significant material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status and Company's operations in future.

IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has pushed the global economy and humanity into a disaster. The impact of covid-19 on India has been largely disruptive in terms of economic activity as well as a loss of human lives. Almost all the sectors have been adversely affected. The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic. The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interests of all stakeholders of the Company.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Further, as per the provisions of Companies Act, 2013, the Company may send financial statements and other documents by electronic mode to its members. Your Company has decided to join the MCA in its environmental friendly initiative. Accordingly, henceforth Company propose to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/ update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at aayushfoodherbs@gmail.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

LISTING OF SECURITIES, LISTING FEES AND ANNUAL CUSTODY FEES

The Securities of the Company are listed on BSE Limited (Scrip Code: 509099) and Metropolitan Stock Exchange of India Limited (Symbol: AAYUSH). The Company has paid the listing fee to the Stock Exchanges for the financial year 2022-2023. The Company has also made the payment of Annual Custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2022-2023.

DEMATERIALIZATION OF SECURITIES

Your Company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. The shareholders, who have not gone in for dematerialization of shares till date, are requested to opt for dematerialization of the shares at the earliest.

As per notifications and circulars issued by the Securities and Exchange Board of India (SEBI) from time to time, the shares of the Company can be transferred only in dematerialized form. Members are advised to dematerialized share(s) in the Company to facilitate transfer of share(s). The ISIN of the company is INE430R01015. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Transmission/ Transposition, Demat/Remat and Change of Address etc. to our Registrar and Share Transfer Agent at below mentioned address:

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Dass Mandir, New Delhi – 110062
Ph. # 011-29961281 Fax # 011-29961284
E-Mail: beetalrta@gmail.com
Website: www.beetalfinancial.com

In case of any query/complaint remains unresolved with our Registrar and Share Transfer Agent of the Company please write to Company Secretary at the registered office of the Company.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION

The Company has complied with all the applicable environmental law and labour laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

HUMAN RESOURCES

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset.

The Company recognizes people as its most valuable asset and The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required by the Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2022 are as follows:

A. Conservation of energy-

(i)	the steps taken or impact on conservation of energy:	Your Company requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
(ii)	the steps taken by the company for utilizing alternate sources of energy:	
(iii)	the capital investment on energy conservation equipments:	

B. Technology absorption-

(i)	the efforts made towards technology absorption:	Your company is mainly engaged in trading activity, however company ensures to maintain latest technologies, so that maximum benefit is derived overall. No technology has been imported during the period of last three financial years. Also there has been no expenditure incurred on R&D.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution:	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
(iv)	the expenditure incurred on Research and Development:	

C. Foreign Exchange Earning and outgo:

(i)	Activities relating to exports; Initiative taken to increase exports, development of new markets for products and services; and export plans:	During the year under review, the Company was engaged in the export of Packaged Basmati Rice in different weights. All the export was made to Gulf Countries basically to Saudi Arabia & Dubai (UAE). The Company receives all the remittances within the requisite time as per the LOA signed with customers. The Company abides all the rules & regulations with
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		regard to foreign currency remittances prescribed by RBI.
(ii)	Total Foreign Exchange Earned:	USD 13,51,305
(iii)	Total Foreign Exchange Used:	NIL

AUDITORS AND THEIR REPORT

A) STATUTORY AUDITORS

We would like to inform you that in compliance with the provisions of Section 139 of Companies Act, 2013, M/s G A M S & Associates LLP, Chartered Accountants (Firm Registration No. 0N500094) were appointed as Statutory Auditors of the Company in the 37th Annual General Meeting to hold office for a term of one year till the conclusion of the ensuing 38th Annual General Meeting of the Company.

Further, Board of Directors, based on the recommendations of the Audit Committee, have proposed to the shareholders, re-appointment of M/s. G A M S & Associates LLP, Chartered Accountants (Firm Registration No. 0N500094), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company to be held in the year 2027.

The Statutory Auditors of the Company have submitted the Auditor's Report on the Financial Statements of the Company for the Financial Year ended March 31, 2022. The Auditor's Report is self-explanatory and requires no comments. Further, there are no adverse remarks or qualification in the Report that calls for Board's explanation. During the year under review, there were no frauds reported by Auditors under Section 143(12) of Companies Act, 2013.

B) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company have appointed M/s Siddiqui & Associates, Company Secretary in Practice (C.P. No. 1284) to undertake the Secretarial Audit of the Company for the financial year 2022-2023. The Company has received consent from M/s Siddiqui & Associates, Company Secretary to act as the auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2023.

M/s Siddiqui & Associates, Practicing Company Secretary has carried out the Secretarial Audit for the financial year ended March 31, 2022. The Secretarial Audit Report is in Form No. MR-3 for the financial year ended 31st March, 2022 under the Act, read with rules made there under, is annexed herewith as "**Annexure-C**" and forms an integral part of this report.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review and therefore, does not call for any further comments.

C) INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company have appointed Ms. Disha Aggarwal, Chartered Accountant to conduct the internal audit of the Company for the financial year 2022-2023. The Company has received consent from Ms. Disha

Aggarwal, Chartered Accountant to conduct the internal audit of the Company for the financial year ending 31st March, 2023.

Ms. Disha Aggarwal, Chartered Accountant performs the duties of internal auditors of the Company for the financial year 2021-2022 and their report is reviewed by the audit committee.

MAINTENANCE OF COST RECORDS

Maintenance of Cost Audit Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company and accordingly such accounts and records are not required to be made and maintained. Hence, Cost Audit is not applicable to the Company.

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

OTHER DISCLOSURES

- i. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
- ii. The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons there of, is not applicable.

ACKNOWLEDGEMENT

The Board of Directors of the Company wish to place on record their sincere thanks to the shareholders for their co-operation, faith and confidence in the management of the Company. The Company's endeavor would be to merit the confidence reposed in it by its stakeholders. Your Board acknowledges support and co-operation received from all the regulatory authorities of the Central Government and State Government, respectively. It also express its sincere appreciation of the employees at all levels for being encouraged to meet several challenges encountered and look forward to their valuable support and commitment in the times ahead.

**On behalf of the Board of Directors
For Aayush Food and Herbs Limited**

**Sd/-
Pallavi Mittal
Managing Director
DIN: 07704583**

**Place: New Delhi
Date: 25.08.2022**

**On behalf of the Board of Directors
For Aayush Food and Herbs Limited**

**Sd/-
Kamna
Director
DIN: 07865460**

AAYUSH FOOD AND HERBS LIMITED

(CIN L01122DL1984PLC018307)

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Role of the Committee: The role of the NRC will be the following:
 - To formulate criteria for determining qualifications, positive attributes and independence of a Director.

- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an

Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
 - The Committee may Delegate any of its powers to one or more of its members.
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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY OVERVIEW

The year 2021-22 has been a less challenging year for India as a Country compared to last two years. As per provisional estimates released by National Statistical Office (NSO), Indian economy in 2021-22 has fully recovered the pre-pandemic real GDP level of 2019-20. The real GDP growth in 2021-22 stands at 8.7 per cent, 1.5 per cent higher than the real GDP of 2019-20.

India adopted a four-pillar strategy of containment, fiscal, financial and long-term structural reforms to overcome the COVID-19 led economic setback. The government's calibrated fiscal and monetary support gave a fillip to consumption and unlocked investment opportunities. Additionally, a favourable monetary policy provided adequate liquidity and immediate aid to debtors, thereby smoothening the monetary policy transmission. Despite global adversities, India continued to be a preferred investment destination in FY21. The Foreign Portfolio Investment (FPI) inflows pumped ` 2.74 trillion into the Indian equity markets during FY21, reflecting the confidence of foreign investors in the sound fundamentals of the Indian Economy.

According to Doing Business Report (DBR), India's Ease of Doing Business rankings improved to 63rd position in 2020 from 77th in 2018. India also entered the list of top 50 innovative countries and stood at 48th rank on the Global Innovation Index 2020. India was placed at 52nd position in 2019.

India's GDP growth is estimated to bounce back at 11% in FY22 led to the government's Atma Nirbhar Bharat Abhiyaan resulting in a stimulus package of ` 29.8 trillion translating to 15% of India's GDP. India's anticipated recovery will be enabled by a robust rise in consumption and investment coupled with a mega vaccination drive and bounce-back in the services sector. The reinstatement of inter and intra state movement and record-high monthly GST collections resonate with the unlocking of industrial and commercial activities. Additionally, a surge in commercial paper issuances, easing yields and steady credit growth to Micro, Small and Medium Enterprises (MSMEs) has renewed Government's focus on MSMEs to survive and grow.

GLOBAL ECONOMY

The Covid-19 outbreak which started early in the year 2020 continuing till date has wrecked almost every industry worldwide. The COVID-19 pandemic continues to have significant implications on the global economy.

The International Monetary Fund is expecting a stronger economic recovery in 2021 as Covid-19 vaccine has been rolled out, but it also warns of "daunting challenges" given the emergence of new viruses in various parts of the world. The organization said it expects the world economy to grow by 6% in 2021, up from its 5.5% forecast in January. Looking further ahead, global GDP growth rate for 2022 is projected to be 4.4%, higher than an earlier estimate of 4.2%. (Source: IMF World Economic Outlook, April 21)

Even with high uncertainty about the path of the pandemic, the recovery in Advanced Economies is expected to out-pace that in Emerging Market and Developing Economies due to earlier access to vaccinations and conducive macroeconomic policies

Indian Agriculture Sector

India's agricultural industry along with its allied sectors represents an important component of the Indian economy both in terms of its contribution to the GDP as well as a source of employment to the majority of the country's population, mainly in rural areas and in the year 2020 it has again shown its importance in the Indian economy. Actually agriculture is the primary source of livelihood for more than 50 percent of India's population and India is among the leading exporters of agricultural products in the world and is the largest producer of spices, pulses, milk, tea, cashew, and jute and the second largest producer of wheat, rice, fruits & vegetables, sugarcane, cotton, and oilseeds. Agriculture was the only sector to grow for April-June 2020 amongst the eight sectors used to compute India's Gross Domestic Product (GDP). Agriculture's GVA (gross value added) is estimated to have grown by 7.3% during FY 21, where overall GVA is estimated to dip by 4.2%. Contribution of agriculture in total GVA during 2020-21 is estimated to be the highest since 2001 at 19.8%. These numbers itself shows importance of Agriculture in Indian economy.

India has consistently maintained trade surplus in the agricultural products over the years. Even, during the difficult time of Pandemic, India took care not to disturb the world food supply chain and continued to export. The export of Agri and allied commodities during 2020-2021 were Rs. 2.74 lakh Crore approx. as compared to Rs. 2.31 Crore in the same period last year indicating an increase of 18.49%.

The commodities which posted significant positive growth in exports were wheat, Other Cereals, Rice (other than Basmati), Soya meal, Spices, Sugar, Raw Cotton, Fresh Vegetable, Processed Vegetables, and Alcoholic Beverages etc.

Wheat and other cereals posted huge growth over last year, i.e., increasing from Rs. 425 Crore to Rs. 3283 Crore and Rs. 1318 Crore to Rs. 4542 Crore, respectively. On specific demand from countries, NAFED has exported 50,000 MT wheat to Afghanistan and 40,000 MT wheat to Lebanon under G2G arrangement. India has witnessed tremendous growth of 727 % for Wheat export.

Country has witnessed significant growth of 132% in export of (Non-Basmati) Rice. Export of Non-Basmati Rice has gone up from Rs 13,030 crores in 2019-20 to Rs 30,277 crores in 2020-21. This increase in exports is on account of multiple factors, mainly being India capturing new markets namely, Timor-Leste, Papua New Guinea, Brazil, Chile, and Puerto Rico. Exports were also made to go, Senegal, Malaysia, Madagascar, Iraq, Bangladesh, Mozambique, Vietnam, Tanzania Rep and Madagascar.

Other commodities of Agri & Allied basket witnessing significant increase in export during April, 2020 to February, 2021 as compared to corresponding period during 2019-20, have been Spices (Rs 26257 crore vs Rs 23562 crore; growth 11.44%), Sugar (Rs 17072 crore vs Rs 12226 crore; growth 39.64%), Raw Cotton (Rs 11373 crore vs Rs 6771 crore; growth 67.96%), Fresh Vegetable (Rs 4780 crore vs Rs 4067 crore; growth 17.54%) and Processed Vegetables (Rs 2846 crore vs Rs 1994 crore; growth 42.69%). (Source press release dated 21.04.2021 by Ministry of Agriculture & Farmers Welfare)

India's food grain production in the 2020-21 crop year is estimated to rise by 2% to reach an all-time high production of 303.34 million tonnes (MT) on the back of better output of rice, wheat, pulses and coarse cereals amid good monsoon rains Last year. In the 2019-20 crop year, the country's food grain output (comprising wheat, rice, pulses and coarse cereals) stood at record 297.5 million tonnes (MT).

Indian Rice Industry

Rice is one of the most crucial food crops in the world and a staple diet for nearly half the global population. Over 90% of the global rice output and consumption is centered in Asia, where in the world's

largest rice producers, China and India, are also the world's largest rice consumers. India accounts for more than 22% of the world's rice production through its 48 million hectares of rice plantation area.

Rice is the most important food crop in India contributing to more than 40 percent of total food grain production and cultivated/consumed across the country. The second-largest rice producer in the world after China, India today produces nearly more than 23% of overall global rice production. Throughout history as per the Archeological evidence, rice has been one of man's most important foods for more than 5000 years. Today, this unique grain helps sustain two-thirds of the world's population. Mainly the two major varieties of rice that dominate the Indian Market are basmati and non-basmati rice.

Rice is grown in India throughout the year heaving region-wise favourable rice growing seasons. Eastern, North-eastern and Southern are major rice-producing region because of a pleasant climate throughout the year.

India is amongst the top two rice consuming nations after China and together with China accounts for nearly 50% of the global rice consumption. Rice consumption in India in 2019-20 was estimated to be around 102 million tonnes, an increase of 3% from the previous year. Consumption is expected to increase further in 2020-21 to 108 million tonnes with the government pushing more subsidized rice. The government in its recent announcement approved an increase in minimum support prices (MSP) for various kharif crops or the summer-sown crops for marketing season 2021-22.

In India total rice production during FY21 is estimated to have stood at record 120.3 million tonnes as compared to 118.9 million tonnes in year 2020. However India still remains the cheapest supplier in the world today.

Further the demand for non-basmati rice increased to a record high of 13 million tonne (valued at \$4.796 billion) last year as more countries purchased the cereal amidst supply issues in Asian region and the Covid pandemic to ensure food supplies. Freight costs across the globe have more than doubled over the past year. African nations are among the biggest buyers of the Indian non-basmati rice. Africa as a market accounted for 54% of India's \$4.79 billion non-basmati rice shipments during 2020-21. African countries imported rice valued at \$2.59 billion during 2020-21 and Benin was the largest importer valued at \$443 million.

The major rice-producing states in India are Punjab, Andhra Pradesh, Uttar Pradesh, West Bengal, Tamil Nadu, Bihar, Chhattisgarh and Orissa. Together, they contribute almost 72% of the total area of rice production and contributes almost 75% of the total rice in the country.

Indian Basmati Rice industry

Among the several varieties of rice, Basmati is considered the most superior in terms of product characteristics and therefore, the most premium. "Basmati" is long grain aromatic rice grown for many centuries in the specific geographical area, at the Himalayan foothills of Indian sub-continent, blessed with characteristics extra-long slender grains that elongate at least twice of their original size with a characteristics soft and fluffy texture upon cooking, delicious taste, superior aroma, and distinct flavor, Basmati rice is unique among other aromatic long-grain rice varieties.

Basmati rice accounts for 2.1% of the total rice production. 2020, the global production of rice reached almost 497.76 million metric tons. Valued at around USD 11,230 million in 2020, the global basmati rice market is expected to reach USD 18,320 million by 2026 after growing at a CAGR of 8.5%. Haryana, Punjab, Himachal Pradesh, Jammu and Kashmir and Delhi are the major basmati rice producing states in India.

Accounting for nearly 85% of the global Basmati exports are from India. In India the Basmati exports is about 37% of the total rice exports by quantity and 60% by value. Exporting basmati rice to nearly 90 countries, nearly 60% of India's basmati rice production is exported.

Since the outbreak of the pandemic Covid-19, India's basmati rice exports have halved to 2 lakh tonnes per month on a shortage of cargo containers at the ports. Further, the sudden sharp increase of about 30% in freight rates of shipping containers have also prove to be a cause of concern for the Indian basmati rice exporters. However, for the FY21 the overall basmati rice export is expected to witness a 4% growth over the previous on the back of the easing lockdown restrictions and rise in the pent-up demand.

Currently, there are 32 Notified Basmati Varieties under Section 5 of Seed Act, 1966 of India. The main varieties of Basmati rice as notified under the seeds Act, 1966 are Basmati 386, Basmati 217, Ranbir Basmati, Karnal Local/ Taraori Basmati, Basmati 370, Type-3 (Dehradooni Basmati), Pusa Basmati-1, Pusa Basmati 1121, Punjab Basmati-1, Haryana Basmati- 1, Kasturi and Mahi Sugandha. Pusa Basmati 1121 developed by the Indian Agricultural Research Institute (IARI) and released for commercial cultivation in Kharif season of 2003 is the most widely used variety as it requires less water, matures early and yields 19–20 quintals of paddy per acre as compared to 9–10 quintals for traditional tall basmati.

India is the leading exporter of Basmati Rice to the global market. In the current FY 2020/21 season, the total export is expected to be around 46,30,444.10 mt in terms of volume as compared to 44,54,656.70 mt of basmati rice.

Despite the different negative impacts, total rice exports in the MY 2020-21 is expected to hover around 12 MMT (7.5 MMT coarse rice and 4.5 MMT Basmati rice) compared to estimated 10.5 MMT the previous year.

Despite pandemic challenges in the short-term, the outlook for the Indian Basmati rice industry remains stable. In, the medium term, demand prospects from key destinations such as Iran and Saudi Arabia will play a significant role and determine trade prospects. Availability of a secure payment mechanism for exports to Iran, easing/ removal of sanctions by the US and response to pandemic in the destination country would be the factors underscoring the Basmati rice trade.

BUSINESS PERFORMANCE SUMMARY

In a year marked with the Covid-19 pandemic, unfortunately our exports sales during the year was very low compared to the previous years due to manifold reasons, some of which were continuing Covid-19 disruption, pricing issues and that differences in sale terms which couldn't be brought to mutually. Aayush delivered a satisfactory performance, strengthening its market and financial position, operating efficiencies, product mix and pipeline while also deepening its farmer engagement and digital footprint. Staying alert to the evolving socio-economic challenges as they panned out, the Company showed agility in prioritizing the health and safety of its employees, ensured safe running of its operations, optimizing production and catering to the requirements of the farmers. Towards helping the Country fight the pandemic cohesively and effectively, the Company contributed in several ways including monetary contributions, healthcare support, advocacy and public awareness campaigns, supporting self-help groups along with volunteering from its employees. All along, the safety of its people reigned supreme.

The Company registered a average performance in FY2021-22 with total revenue at 18.09 Crores as compared to 151.61 Crores in the previous year. The Company's PBT was at (209.74) Lacs as compared to profit of Rs.58.98 Lacs in the previous year.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset.

The Company recognizes people as its most valuable asset and The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

KEY STRENGTHS AND WEAKNESSES

I. Experienced Management Team

The management team has an experience of more than 20 years in the rice industry and is supported by strong and competent minds. Mr. Rajesh Goel is also having vast experience in the field of rice industry.

II. Favorable Manufacturing Locations

Company has manufacturing units in close proximity to paddy producing region.

III. Diversified Client Base

The company has a loyal client base of large buyers spread across countries.

IV. Healthy balance sheet and comfortable capital structure

The Company never faced any difficulty in servicing its debts and other financing arrangements and with the required number of skilled employees, all the financial activities have been carried out on time without any delay/disruption. Further Company has adequate financial resources to meet its working capital requirement. The Company has never in the past defaulted on any interest or loan payment and does not see any issue meeting future obligations too

WEAKNESS

I. Foreign Exchange Risk

Since majority of the revenues of the company are derived from exports, any major fluctuation in exchange rates will affect the profitability of the company.

II. Changing Government Policies

Factors such as Minimum Support Price, import bans and sanctions may affect the operations and profitability of the company.

III. Volatility in raw material prices

The prices of paddy might fluctuate subject to the demand and supply scenario, which may ultimately affect the profitability of the business.

IV. Commodity nature of products with little or no differentiation

The company operates in a highly commoditized industry with very little or no product differentiation.

V. Dependency on favourable Climatic Conditions

Besides the quality of the foundational seed itself the cultivation of Basmati closely depends on the vagaries of the weather. Any inclemency can upset the potential sales.

OPPORTUNITIES

As Basmati is un-disputedly the king of grains, given its association with being the best, it finds natural uptake across nations and especially in the middle east where rice preparations are part of culture. Higher usage of Rice as a staple diet again dovetails into higher consumption of Basmati.

THREATS

Continuing trade wars and the CoVID-19 pandemic both are likely to significantly lower global trade and resultant international sales.

CAUTIONARY STATEMENT

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic market in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Siddiqui & Associates

Company Secretaries

Phone 011-41401301 Mobile 98110-35621, Email info@siddiassociates.com, primekoss@hotmail.com

Web Site : <http://www.siddiassociates.com>

Annexure- C to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial year ended 31st March 2022)

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

To,
The Members,
Aayush Food and Herbs Limited
370-A/2, First Floor, Chirag Delhi,
New Delhi 110017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aayush Food and Herbs Limited** (hereinafter called the company) having CIN **L01122DL1984PLC018307**. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Aayush Food and Herbs Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Aayush Food and Herbs Limited** for the financial year ended on **31st March 2022** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct

Investment and External Commercial Borrowings. **The Company is not having any FDI, ODI or ECB.**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. The Company has complied with various provisions of Labour Laws, Environmental Laws and other industry specific Laws to extent applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We 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 at least seven days 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has had no major events or actions which are having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

We have to further state that

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

for Siddiqui & Associates
Company Secretaries

Place New Delhi
Date: 23rd August 2022

Sd/-
K. O. Siddiqui
FCS 2229; CP 1284
UDIN: F002229D000835622
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300

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 Secretarial Audit Report

To,
The Members,
Aayush Food and Herbs Limited
W 321, Ground Floor, Chirag Delhi,
New Delhi 110017

Our report of even date is to be read along with this letter.

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

for Siddiqui & Associates
Company Secretaries

Place New Delhi
Date: 23rd August 2022

Sd/-
K. O. Siddiqui
FCS 2229; CP 1284
UDIN: F002229D000835622
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300

D 49, Sarita Vihar, New Delhi 110 076 India

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AAYUSH FOOD AND HERBS LIMITED**

I. Report on the Audit of the Standalone financial Statements

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of **Aayush Food and Herbs Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Indi's") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no matters to be described as key audit matters.

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

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information to the extent applicable, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indi's and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including

the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
 - D. In our opinion, the aforesaid standalone financial statements comply with the India's specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

i) The Company does not have any pending litigations which would impact its financial position.

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

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv)

a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), With the understanding whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by company from any person or entity, including foreign entity ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall. Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, Security or the like on behalf of Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v) During the year, company has not declared or paid dividend during the year which is in compliance with section 123 of the Companies Act, 2013.

2. As required by the Companies (Auditor's Report) Order, 2020("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For: GAMS & Associates LLP
Chartered Accountants
FRN 0N500094
UDIN: 22088218AJXNGX3082

Sd/-
CA Anil Gupta
(Partner)
M. No. 008218

Place: New Delhi
Dated: 30/05/2022

AAYUSH FOOD AND HERBS LIMITED

ANNEXURE “A” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our reports to the Members of Aayush Food and Herbs Limited of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal Financial Controls over financial reporting of **AAYUSH FOOD AND HERBS LIMITED** ("the Company") as at March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: GAMS & Associates LLP
Chartered Accountants
FRN 0N500094
UDIN: 22088218AJXNGX3082

Sd/-
CA Anil Gupta
(Partner)
M. No. 008218

Place: New Delhi
Dated: 30/05/2022

AAYUSH FOOD AND HERBS LIMITED
ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal & Regulatory Requirements’ section of our report to the Members of Aayush Food and Herbs Limited of even date)

Pursuant to Companies (Auditors Report) Order 2020

To the best of our information and according to the explanations provided to us by the company and the books of accounts and records examined by us in the normal course of Audit, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, Including quantitative details and situation of Property, Plant and Equipments and Intangible Assets..
- (b) Management has conducted the physical verification of Property, Plant and Equipment at reasonable intervals. Also, no material discrepancies were noticed during the year under audit.
- (c) Title deeds of the Immovable properties as disclosed in the financial statements are held in the name of the company.
- (d) The Company has not revalued any of its Property, plant and Equipments and Intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the company as at March 31st, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals which are adequate as per the nature and size of the operations of the company. During the year under audit, no material discrepancies amounting to 10% or more were found.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under clause 3(iii) is not applicable.
- (iv) In our opinion and according to the best of the information and explanations given to us, the company has not given any loans, advance in the nature of loan, provided any guarantees, given any security or has made any investments in the LLP or other parties covered in register maintained under section 189 of the Act. Hence, reporting under clause 3(iv) is not applicable.
- (v) The company has not accepted any deposit or amounts which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Hence, reporting under 3(v) of the order is not applicable.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, in respect of the activities carried on by the company.
- (vii) (a) According to the information and explanations given to us and to the best of our

knowledge and belief on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and any other statutory dues with the appropriate authorities. Also, according to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act. 1961.
- (ix)
 - a. The Company has taken loans or other borrowings from the lenders. However, No instances of default on the repayment were noticed and/or observed during the year under audit.
 - b. The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
 - c. The company has taken a long term Car Loan and proceeds of which were applied for their intended use. No amount of Loan was diverted for any other purpose.
 - d. On an overall examination of the financial statements of the company, funds raised for short term were applied for their intended purpose only i.e., for meeting working capital requirements of the company.
 - e. On an overall examination of the financial statements of the company, the Company has not taken any funds from the entity or person on account of or to meet the obligations of its subsidiaries.
 - f. The company has not raised any loans during the year and hence reporting of the clause 3(ix)(f) is not applicable.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loans. Also, Company has not made any preferential allotment or private placement of the shares or convertible debentures (fully or partly or optionally). Accordingly, the provisions of clause 3(x) of the order are not applicable to the company and hence not commented upon.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year. Also, there were no whistle blower complaints received by the company which could be considered while determining the Nature, Timing and Extent of the Audit procedures. hence, reporting under clause 3(xi) is not applicable.
- (xii) In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv)
 - a. According to the best of our knowledge and belief, the company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b. The internal audit reports for the year under consideration, issued to the company during the year has been considered by us, in determining the nature, timing and extent of our audit procedures.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi)
 - (a) The Company is neither required nor is registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) The company has not conducted any Non-banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve bank of India Act, 1934;
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
 - (d) There are no CIC as a part of the group.
- (xvii) According to the best of information and explanation given to us and also on the basis of examination of books of accounts and relevant documents, the company has incurred Cash losses amounting to 2,06,52,123 INR during the financial year covered under consideration and the company has not incurred any losses during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the financial year.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and to the best of our knowledge of the Board of Directors and management plans and based on the examination of the evidence supporting the assumptions, nothing has come to our attention, which has caused us to believe that any material uncertainty exists as on the date of the audit reports indicating the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor provide any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx)
 - (a) On the basis of examination of books of accounts and other relevant documents, as on the date of Audit Report, company has not deposited any amount to the fund specified in Schedule VII of The Companies Act 2013 with respect to projects other than ongoing project,

- (b) As per the information and explanations given to us, the company does not have any ongoing project for the purpose of CSR expenditure. Hence, reporting under clause 3(xx)(b) is not applicable.

For: GAMS & Associates LLP
Chartered Accountants
FRN 0N500094
UDIN: 22088218AJXNGX3082

Sd/-
CA Anil Gupta
(Partner)
M. No. 008218

Place: New Delhi
Dated: 30/05/2022

AAYUSH FOOD & HERBS LIMITED**CIN NO. L01122DL1984PLC018307****370-A/2, First Floor, Chirag Delhi, New Delhi-110017****Balance Sheet As on 31st March, 2022**

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	1,159,695	6,239,251
(b) Capital Work in Progress			
(c) Intangible assets			
(d) Investment in Property	4	1,943,610	1,943,610
(e) Financial assets			
(f) Deferred tax assets (net)	5	-	-
(g) Other non-current assets	6	-	-
		3,103,305	8,182,861
Current assets			
(a) Inventories	7	63,604,465	92,267,022
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	8	28,928,684	241,408,084
(iii) Cash and cash equivalents	9	7,707,966	2,695,214
(c) Current Income tax assets (net)		176,221	
(d) Other current assets	10	7,862,416	18,707,441
		108,279,751	355,077,761
Total Assets		111,383,056	363,260,622
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	32,450,000	32,450,000
Reserve & Surplus	12	15,048,817	35,597,841
		47,498,817	68,047,841
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13	49,489,682	21,973,770
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)		-	25,628
(d) Other non-current liabilities			
Total A		96,988,500	90,047,239
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	14	7,790,644	263,759,936
(b) Other current liabilities	15	6,603,911	7,351,701
(c) Provisions	16	-	2,101,743
Total B		14,394,555	273,213,380
Total equity and liabilities (A+B)		111,383,055	363,260,619

See accompanying note nos. 1 to 28 forming part of the financial statements

In terms of our report attached of the even date

For and on behalf of Directors
Aayush food & herbs LimitedFor: GAMS & Associates LLP
Chartered Accountants
FRN. ON500094

Sd/-	Sd/-	Sd/-	Sd/-
Pallavi Mittal	Kamna	Preeti Kataria	Pradeep Kumar Karn
Managing Director	Director	(C.S)	(CFO)
(DIN-07704583)	(DIN-07865460)		

Sd/-
CA Anil Gupta
Partner
M No-008218Place: New Delhi
Date: 30/05/2022

UDIN: 22088218AJXNGX3082

AAYUSH FOOD & HERBS LIMITED**CIN NO. L01122DL1984PLC018307****370-A/2, First Floor, Chirag Delhi, New Delhi-110017****Balance Sheet As on 31st March, 2022**

(Amount in Rs.)

Particulars		Note No	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
I	Revenue from operations (gross)	17	174,582,495	1,516,001,311
II	Other income	18	6,344,351	109,263
III	Total income (I + II)		180,926,846	1,516,110,574
IV	Expenses:			
	Cost of materials consumed			
	Changes in inventories of finished goods and work-in-progress Excise Duty on sales	19	28,662,557	284,242,213
	Purchases		141,433,524	1,048,614,281
	Power and Fuel			
	Employee benefits expense	20	4,649,092	7,205,163
	Finance costs	21	6,838,070	13,393,457
	Depreciation and amortisation expense Other expenses	3	672,443	1,435,064
	Administrator & Other expenses	22	19,645,258	155,321,956
	Total expenses		201,900,944	1,510,212,134
V	Profit/(loss) before exceptional item and tax (III-IV)		(20,974,097)	5,898,440
VI	Exceptional item			
VII	Profit/(loss) before tax (V-VI)		(20,974,097)	5,898,440
VIII	Tax-expense/(Credit):			
	-Current tax		-	1,533,594
	-Deferred tax(reversed)		201,849	116,096
IX	Profit/(loss) for the year (VII-VIII)		(20,772,248)	4,248,749
X	Other Comprehensive income/(loss)			
	Item that will not be subsequently reclassified to profit or loss			
	(a) Re-measurement gains/(losses) on defined benefit obligations			-
	(b) Income tax effect			-
	Item that may be subsequently reclassified to profit or loss:			
	(a) Cash flow hedges			-
	(b) Income tax effect			-
	Total Other Comprehensive income/(loss) for the year			-
XI	Total Comprehensive income/(loss) for the year		(20,772,248)	4,248,749
XII	Earnings/(loss) per equity share (of Rs. 10/- each)		0.000	1.309
	Basic and Diluted (in Rs. per share)			

See accompanying note nos. 1 to 28 forming part of the financial statements

In terms of our report attached of the even date

For and on behalf of Directors

Aayush food & herbs Limited

For: GAMS & Associates LLP

Chartered Accountants

FRN. ON500094

Sd/-

Pallavi Mittal

Managing Director

(DIN-07704583)

Sd/-

Kamna

Director

(DIN-07865460)

Sd/-

Preeti Kataria

(C.S)

Sd/-

Pradeep Kumar Karn

(CFO)

Sd/-

CA Anil Gupta

Partner

M No-008218

Place: New Delhi

Date: 30/05/2022

UDIN: 22088218AJXNGX3082

AAYUSH FOOD & HERBS LIMITED

CIN NO. L01122DL1984PLC018307

370-A/2, First Floor, Chirag Delhi, New Delhi-110017

Cash Flow Statement as on 31st March, 2022

(Amount in Rs.)

	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
A.	Cash flow from operating activities		
	Profit/(loss) before tax from	(20,974,097)	5,898,440
	- Continuing Operations		
	-Discontinued Operations		-
	Profit before Income Tax including discontinued operations	(20,974,097)	5,898,440
	Adjustments For:		
	Depreciation and amortisation expense	672,443	1,435,064
	Provision for Adjustments		-
	Change in operating assets and liabilities		
	(Increase)/Decrease in inventories	28,662,557	284,242,213
	Increase/(Decrease) in trade payables	(255,969,292)	(15,994,465)
	(Increase)/Decrease in other Liabilities		4,189,854
	(Increase)/Decrease in trade receivables	212,479,400	(208,097,708)
	(Increase)/Decrease in Other Current Assets		(5,106,254)
	Increase/(Decrease) in Short Term loans & Advances		-
	Increase/(Decrease) in other liabilities	(747,790)	-
	Increase/(Decrease) in provisions	(2,101,743)	188,644
	(Increase)/Decrease in other assets	10,845,025	-
	Sub-Total	(6,159,400)	60,857,348
	Cash generated from operations	(27,133,497)	66,755,788
	Net Income taxes (paid) / refunds	(223,225)	2,189,088
	Net cash inflows from operating activities A	(26,910,272)	64,566,700
B.	Cash flow from investing activities		
	Capital expenditure on property, plant and equipments including capital advances		-
	Sale of property, plant and equipments	4,407,112	(89,880)
	Purchases of investments		-
	Sale of investments		-
	Interest received		-
	Bank balances not considered as cash and cash equivalents		
	-Deposits placed		-
	-Deposits matured		-
	Loans and advances recovered		-
	Net cash outflow from investing activities B	4,407,112	(89,880)
C.	Cash flow from financing activities		
	Proceeds from long-term borrowings	27,515,912	-
	Proceeds from short term borrowings		-
	Repayment of long-term borrowings		(93,253,633)
	Repayment of short-term borrowings		-
	Repayments of Short Term Borrowings		-
	Net cash outflow in financing activities C	27,515,912	(93,253,633)
	Net (decrease) / increase in cash and cash equivalents A+B+C	5,012,752	(28,776,813)
	Cash and cash equivalents as at the beginning of the year	2,695,212	31,472,025
	Cash and cash equivalents as at the End of the year	7,707,964	2,695,212

See accompanying note nos. 1 to 28 forming part of the financial statements

In terms of our report attached of the even date

For and on behalf of Directors
Aayush food & herbs Limited

For: GAMS & Associates LLP
Chartered Accountants
FRN. ON500094

Sd/-
Pallavi Mittal
Managing Director
(DIN-07704583)

Sd/-
Kamna
Director
(DIN-07865460)

Sd/-
Preeti Kataria
(C.S)

Sd/-
Pradeep kumar Karn
(CFO)

Sd/-
CA Anil Gupta
Partner

Place: New Delhi
Date: 30/05/2022

M No-008218
UDIN: 22088218AJXNGX3082

Statement of Changes in Equity for the year ended March 31, 2022

A Equity share capital

Particulars	As at March 31, 2022	
	Numbers of shares	Rupees
Equity shares of Rs. 10 each issued, subscribed and		
As at April 1, 2020	3,245,000	32,450,000
As at March 31, 2021	3,245,000	32,450,000
As at March 31, 2022	3,245,000	32,450,000

B Other equity

Particulars	Reserve and Surplus				
	Capital Reserve	Retained Earnings	Special Reserve	General Reserve	Total reserves
Balance as at April 1, 2020	-	-	7,500,000	23,849,092	31,349,092
Profit for the year	-	-	-	4,248,749	4,248,749
Add: Earlier Tax adjustment	-	-	-	-	-
Other comprehensive income/(loss) for the year ³	-	-	-	-	-
Balance as at March 31, 2021	-	-	7,500,000	28,097,841	35,597,841
Profit for the year	-	-	-	(20,772,248)	(20,772,248)
Note: Retained earnings comprises of	-	-	-	-	-
Other comprehensive income/(loss) for the year ³	-	-	-	-	-
Add: Earlier Tax adjustment	-	-	-	223,225	223,225
Balance as at March 31, 2022	-	-	7,500,000	7,548,818	15,048,818

AAYUSH FOOD AND HERBS LIMITED
CIN:L01122DL1984PLC018307

Notes forming part of the Financial Statements

1. Company Overview

M/s Aayush Food & Herbs Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act 1956 then applicable in India. It has been engaged primarily in the business of trading of rice in different varieties. The Company sale basmati and non-basmati rice in India as well as in out-side India. During the financial year beginning from 1 April, 2021 to 31st March, 2022, the company has recorded its major portion of revenue by selling rice in different gulf countries.

2. Significant Accounting policies

2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

2.2 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of Schedule III to the Act under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical JudgmentsIn the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Contingences and commitments: In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Income taxes:The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid /recovered for uncertain tax positions.

Useful lives of property, plant and equipment: As described in Note 2.8, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Allowances for doubtful debts:The Company makes allowances for doubtful debts based on an assessment of the recover ability of trade and other receivables. The identification of doubtful debts requires use of judgment and estimates.

2.4 Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when it,

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- (b) Held primarily for the purpose of trading; or
- (c) Expected to be realized within twelve months after the reporting period, or
- (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when,

- (a) It is expected to be settled in normal operating cycle; or
- (b) It is held primarily for the purpose of trading; or
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

2.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment inclusive of excise duty and net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties and government.

Sale of Goods Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold ;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends that there is no any dividend income has earned by the company during the current financial year, Generally, the company has policy to recognize the dividend income from investments when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.6 Segment Reporting

In this financial year, the company has been presenting its first Financial Statements in the IND-AS. Therefore, the company has adopted the Indian Accounting Standard Abbreviate it "IND-AS-101 First Time Adoption of Indian Accounting Standard. Thus, the Standard has provided the relaxation to the companies for compliance of the provisions of certain IND-AS. Therefore, the company has

decided not to report segment reporting during the current year it is transitional phase for implementation Indian Accounting Standard.

2.7 Foreign Currencies

Functional currency: The functional currency of the Company is the Indian rupee.

Transactions and translations: In general all foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

The Company has not having any Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date.

The Company has recognised its debtors and creditor which are located into overseas/offshore region at Foreign Currency Rate at transactions date. Thus, all the foreign Debtors/ Creditors if any has been recognising in Indian Rupee at balance sheet date.

2.8 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as on April 1, 2016 measured as per previous GAAP as it deemed cost on the date of transition.

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Plant and Equipment : 10 - 15 years

Office Equipment* : 3 to 6 years

Furniture And Fixture : 10 years

Electrical Installation and Equipment: 10 years Vehicles : 10 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule-II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal

or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fullydepreciated assets still in use are retained in financial statements.

2.9 Capital work-in-progress and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.10 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Company amortizes intangible assets with a finite useful life using the straight-line method over the of useful lives determined by the terms of the agreement /contract. The estimated useful life is reviewed annually by the management.

2.11 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current tax: Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an Intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is nota business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related

deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.12 Impairment of assets

Financial assets : The Company assesses on a forward looking basis the expected credit losses associated with its 42

financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

PPE and intangibles assets: Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include, on the one hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and equivalent subject to an insignificant risk of changes in value.

2.14 Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.15 Inventories

Inventories are valued at lower of cost on FIFO basis and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroy and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Non-derivative financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a. Financial assets- Subsequent measurement

Financial assets at amortized cost: Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

b. Financial liabilities- Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method. The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost on accrual basis.

Composite financial Instrument: The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or redemption of

the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognized and included in shareholders' equity.

De-recognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

C. Offsetting of financial instruments:

Financial assets and financial liabilities are set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.17 Borrowing costs

General and specific borrowing costs (including exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.18 Employee Benefits

Employee benefits consist of Short Term Employment benefits such as salary, bonus, commission etc, and contribution to employees state insurance, provident fund, gratuity fund and compensated absences.

Post-employment benefit plans Defined Contribution plans

Contributions to defined contribution schemes such as Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

2.19 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

Aayush Food And Herbs Limited

Note 3: Property, Plant and Equipment

Particulars	Freehold land	Freehold buildings	Furniture, fittings and equipment	Plant and machinery	Intangible Assets	Total	Capital work-in-progress
Year ended 31 March 2022							
Gross Carrying Amount							
Opening gross carrying amount	-	-	321,616	10,142,036	5,073	10,468,725	-
Exchange differences	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Disposals	-	-	-	7,403,208	-	7,403,208	-
Transfers	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	321,616	2,738,828	5,073	3,065,517	-
Accumulated depreciation and impairment						-	
Opening accumulated depreciation	-	-	286,366	3,941,414	1,694	4,229,474	-
Depreciation charge during the year	-	-	9,126	662,442	875	672,443	-
Impairment loss(if any)	-	-	-	-	-	-	-
Disposals	-	-	-	2,996,096	-	2,996,096	-
Exchange differences	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	-	-	295,492	1,607,761	2,569	1,905,822	-
Net carrying amount	-	-	26,124	1,131,067	2,504	1,159,695	-

Notes Forming Part of The Financial Statements (Amount in ₹)

4 Financial assets - Non current : Investment Properties

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying amount		
Opening gross carrying amount / Deemed cost	1,943,610	1,943,610
Additions		
Closing gross carrying amount	1,943,610	1,943,610
Opening accumulated depreciation		-
Depreciation charge		-
Closing accumulated depreciation		-
Net carrying amount	1,943,610	1,943,610

5 Deferred Tax Assets(net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		-
Total		-

6 Financial assets - Non current : Other Non-Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Sales Tax Refund		-
Advance Fees		-
Total		-

7 Financial Assets-Current: Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Finished goods	63,604,465	92,267,022
Total	63,604,465	92,267,022

8 Financial Assets-Current: Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	28,325,991	241,408,084
Advance to supplier	602,693	-
Receivables from Related Parties		-
Less: Allowance for Doubtful debts		-
Total	28,928,684	241,408,084

9 Financial assets - Current : Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	196,111	12,360
Balances with banks:		
Union Bank of India	22,290	8,941
Kotak Mahindra Bank	7,185,496	3,424,094
Axis Bank	150,938	233,126
Indusind Bank	133,471	(1,228,369)
Allahabad Bank	-	17,240
RBL Bank	-	104,001
Uco Bank	19,660	19,820
Woori Bank	-	104,001
Total	7,707,966	2,695,214

10 Financial assets - Current : Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security Deposit	170,500	302,500
FDR	100,000	1,100,000
Advance to supplier	-	889,475
Prepaid expenses	(20,975)	151,709
Insurance Claim Receivable	-	1,207,072
Employee Advance	73,652	760,000
Duty Draw Back Receivable	95,564	96,004
Service Tax Receivable	71,086	71,086
Interest Accrued	10,634	34,164
TDS Recoverable	327,629	294,699
GST Refundable	7,034,325	13,800,732
Advance Tax	-	-
Total	7,862,416	18,707,441

Notes Forming Part of The Financial Statements (Amount in ₹)

11 Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Share Capital				
Opening/Closing balance (equity shares of ₹10 each)	3,500,000	35,000,000	3,500,000	35,000,000
TOTAL	3,500,000	35,000,000	3,500,000	35,000,000
(b) Issued, subscribed and fully Paid up				
Opening/Closing balance (equity shares of ₹10 each)	3,245,000	32,450,000	3,245,000	32,450,000
TOTAL	3,245,000	32,450,000	3,245,000	32,450,000

Terms/rights attached to equity shares The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) Details of shares held by each shareholder holding more than 5% shares

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% Holding	No. of Shares held	% of Holding
PNR Financial Services Pvt. Ltd.	475,590	14.65%	475,590	14.65%
Rajnish Goenka	392,580	12.10%	392,580	12.10%
Arpna Capital Services Private Limited	178,390	5.49%	178,390	5.49%
Pallavi Mittal	1,055,378	32.52%	1,663,901	51.26%

12 Reserve & Surplus

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount		Amount	
Security Premium Reserve		7,500,000		7,500,000
A		7,500,000		7,500,000
Profit/(loss):Opening balance		28,097,841		23,849,092
Add: Current year Profit		(20,772,248)		4,248,749
Add: Earlier Tax adjustment		(223,225.00)		-
B		7,548,817		28,097,841
TOTAL A+B		15,048,817		35,597,841

Note: Retained earnings comprises of prior and current year's undistributed earnings after tax.

Note:Initially, The company had issued its shares at premium (over and above the Face Value of Shares) the amount excess amount received are kept separately in the account of Security Premium.The Security Premium shall be utilized in accordance with the provision of the Companies Act, 2013.

Notes Forming Part of The Financial Statements

Non-Current Liabilities:

Financial Liabilities

13 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Loan against WHR	48,917,343	-
ICICI Bank Ltd - Car Loan	572,339	1,092,519
Abhinav Leasing and Finance Limited	-	2,033,249
Arpna Capital Services Private Limited	-	7,640,397
Jolly Plastic Industries Limited	-	5,101,370
Sarnimal Investment Limited	-	6,106,235
Total	49,489,682	21,973,770

Current Liabilities

Financial Liabilities

14 Trade Payables.

Particulars	As at March 31, 2022	As at March 31, 2021
Sundry creditors	7,790,644.00	263,759,936.00
Advance from cusomer	-	-
Total	7,790,644	263,759,936

15 Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured :		
Expenses Payable	785,302.00	1,080,720.00
Audit Fee Payable	360,000.00	370,000.00
Internal audit fee payable	-	138,750.00
Advance from customer	5,173,503.00	5,173,502.00
Staff imprest	-	75,268.00
ESIC/EPF payable	6,548.00	-
TDS Payables	278,558.00	513,461.00
Total	6,603,911.00	7,351,701.00

16 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax	-	1,543,793.35
Provision made for Expenses	-	557,949.98
Total	-	2,101,743.33

Notes Forming Part of The Financial Statements			(Amount in ₹)
17 Revenue from operations			
Particulars	For the Year Ended		
	31-Mar-22	31-Mar-21	
Revenue from operation (gross)	174,582,494.92	1,516,001,311	
Revenue from operation (gross)	174,582,494.92	1,516,001,311	
18 Other income			
Particulars	For the Year Ended		
	31-Mar-22	31-Mar-21	
Interest Income	14,128	23,408	
Short & Excess	5,545	15,113	
Duty Drawback	-	4,815	
Sale of Licence	4,199,954	-	
Amount W/o	344,924	-	
Misc. Income	1,779,800	-	
Shortage & Rebate	-	45,927	
Quality & Cash Discunt Received from Suppliers	-	20,000	
Total	6344351.18	109,263	
19 Changes in inventories of finished goods and work-in-progress			
Particulars	For the Year Ended		
	31-Mar-22	31-Mar-21	
Opening inventories Finished goods Work in prograss By products	92267022	376,509,235	
Closing inventories Finished goods Work in prograss By products	63604465	92,267,022	
Total	28,662,557	284,242,213	
20 Employee benefits expense			
Particulars	For the Year Ended		
	44,651.00	31-Mar-21	
(a) Salaries and wages (Including Bonus)	3,173,460.00	5,841,563	
(b) Director's Remuneration	1,320,000.00	1,320,000	
(c) Staff welfare expenses	155,632.00	43,600	
Total	4,649,092	7,205,163	

Notes Forming Part of The Financial Statements			(Amount in ₹)
21 Finance Cost			
Particulars	For the Year Ended		
	31-Mar-22	31-Mar-21	
Interest expense	5,874,181.14	9,263,979.36	
Bank Charges	213,213.26	269,997.96	
Other borrowing cost	750,000.00	1,030,000.00	
Net loss on foreign currency transactions and translation (considered as finance cost)	675.25	2,829,479.73	
Total	6,838,070	13,393,457	
22 Other Expenses			
Particulars	For the Year Ended		
	31-Mar-22	31-Mar-21	
Annual Listing Fees	300,000.00	355,000.00	
Advertising Expenses	378,999.00	118,992.00	
Audit Fee	400,000.00	400,000.00	
internal audit fee0	-	150,000.00	
Consumable Stores	34,768.00	23,041.00	
Conveyance Expenses	142,374.00	261,078.00	
Discount	893,764.00	-	
Diwali Expenses		20,297.00	
Electricity Expenses	268,190.00	1,043,780.00	
Fumigation Expenses		290,050.00	
Generator Running Expenses	52,237.00	343,800.00	
Legal and Professional expenses	60,000.00	587,954.00	
Travelling Expenses	14,316.00	180,100.00	
Office Expenses	170,916.96	936,916.60	
Printing & Stationary	54,914.81	94,969.24	
Computer Expenses		12,500.00	
Insurance Transit	523,995.00	1,132,519.00	
Coc Expenses	-	8,880.00	
Laundry Expenses	-	4,210.00	
Fees & Subscription	186,818.00	464,727.57	
Postage & Courier Expenses	24,053.61	42,477.87	
Domain Expenses	35,251.32	44,570.18	
Telephone Expenses	103,682.68	144,489.26	
Donation & Charity	53,734.00	3,100.00	
Casual labour	234,725.00	-	
Rent Paid	1,096,994.00	3,539,991.00	
Clearing & Forwarding Expenses	1,132,776.00	12,522,586.87	
Freight Outward Expense	886,961.00	11,521,675.00	
Inspection & Testing Expenses	1,349,003.00	16,412,088.40	
Ocean Freight Incurred	3,862,137.36	42,291,798.87	
Inland Haulage/Rail Freight Incurred	1,833,800.00	20,428,725.00	
Freight & Forwarding (Inward)	1,051,283.00	7,759,021.00	
Export Expenses	599,624.00	9,452,310.99	
Labour Expenses	686,628.00	8,136,568.00	
Repair & Maintenance	110,788.38	2,571,983.97	
Sortax Charges	-	2,665,981.00	
Milling Expenses	1,037,556.00	8,694,698.80	
Storage Expenses	802,002.00	2,220,240.00	
Water Expenses	9,490.00	54,325.00	
Interest / Demand paid on GST	2,616.34	36,459.00	
Amount W/O	582,174.43	(24,994.02)	
Gst Paid	-	189,146.21	
Misc Expenses	87,152.30	55,150.00	
Admin Charges	6,000.00	6,000.00	
Apeda exp	21,690.00	-	
ROC exp	7,800.00	-	
Loss on sale of Fixed Assets	342,113.37	-	
Interest on Income Tax & TDS	203,929.00	124,749.00	
Total	19,645,257.56	155,321,955.81	

Notes Forming Part of The Financial Statements			(Amount in ₹)
23. Payment to Auditors			
Particulars	Year ended March 31,2022	Year ended March 31,2021	
As Auditor-Statutory Audit and Internal Review	400,000	400,000	
For other services	-	-	
Reimbursement of Expenses	-	-	
Total	400,000	400,000	
24. Earning Per Shares			
Particulars	Year ended March 31,2022	Year ended March 31,2021	
Net Profit/(Loss) for the Year(In Repuees)	(20,772,248)	4,248,749	
Weighted No. of Ordinary Shares for Basic EPS	3,245,000	3,245,000	
Nominal Value of Ordinary Shares (in Rupee per Share)	10	10	
Basic and Diluted Earning for Ordinary Shares (in ₹ Per Shares)	-	1.3093	
25. Contingent Liabilities and Commitments			
Particulars	Year ended March 31,2022	Year ended March 31,2021	
Guarantee given by bank	NiL	NiL	
Income Tax matter in dispute	NiL	NiL	
26. Obligation & Commitments Outstanding			
Particulars	Year ended March 31,2022	Year ended March 31,2021	
a). Estimated Value of contracts remaining to be executed	NiL	NiL	
b). Bill Discounted with Bank	NiL	NiL	

Notes Forming Part of The Financial Statements**Note No. 27 RELATED PARTY DISCLOSURES****A Names of Related Parties and Description of Relation :**

Name	Relationship
N A FOOD PVT LTD	Director's Relative Company
ASIA & AFRICA GENERAL TRADING LLC	Sister Concern Company
Ashish Associates	Director's Relative Firm
Santosh overseas	Director's Relative Firm

Key Management Personnel

Name	Post holding
PALLAVI MITTAL	MANAGING DIRECTOR
KAMNA	DIRECTOR
RAJESH GOEL	DIRECTOR
SHASHANK SHEKHAR CHATURVEDI	DIRECTOR
PREETI KATARIA	COMPANY SECRETARY
PRADEEP KUMAR KARN	C.F.O (Part of the Year)
DANISH AHMED	C.F.O. (Part of the year)

(a) Key Management Personnel Compensation

Particulars	31-Mar-22	31-Mar-21
Short-term employee benefits:		
Pallavi Mittal	1,320,000	1,198,151
Preeti Kataria	420,000	420,000
Danish Ahmed	79,742	288,000
Pradeep Kumar Karn	288,000	-
TOTAL	2,107,742	1,906,151

Re-imbursement of expenses:		
Preeti Kataria	87,315	-

Recovery of Advances:		
Danish Ahmed	20,000	-

(b) Transactions with Related Parties

The following transactions occurred with related parties:		
Sale of goods to Asia & Africa General Trading LLC	-	-
Amount Received from Asia & Africa General Trading LLC	-	620,756

(c) Outstanding Balances Arising from Sales/Purchases of Goods and Services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31-Mar-21	31-Mar-20
Trade Payables (purchases of goods and services)		
Name of the Related Parties	-	-
Associates	-	-
Entities controlled by relative or key management personnel	-	-
Total Payables to Related Parties		

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31-Mar-21	31-Mar-20
Trade Receivables (purchases of goods and services)		
Name of the Related Parties	-	-
Entities controlled by relative or key management personnel	-	-
Total Receivable from Related Parties		

(f) Loans to/from Related Parties

	31-Mar-21	31-Mar-20
Loans to /from relative or key management personnel		
Beginning of the year	-	-
Loans advanced	-	-
Loan repayments received	-	-
Interest charged	-	-
Interest received	-	-
End of the year	-	-

Note No. 28 Estimation of uncertainties relating to the global health pandemic from COVID-19

World Health Organisation (WHO) declared Outbreak of Corona virus disease (COVID-19) a global pandemic on March 11 2020 . Consequent to this Government of India declared lock down on 24 March 2020 which has impacted the business activities of the company. The company has taken various measures in consonance with central and state government or it is to contain the pandemic command which includes closing of offices and adopting work from home policy for employees.

Given the uncertainty of quick turn down to normalcy, post lifting of the lock down, the company has carried out a comprehensive assessment of possible impact on its business operations, financial assets common contractual obligations and its over on equity position, based on the internal external sources of information and application of reasonable estimates. the company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future given early and its quite steps taken to contain, protect and mitigate the exposure pursuant to the relax guidelines, the company has now resumed its operations and activities as allowed in strict keeping with government at advisors. however, most of the staff continued to operate from home. Since the situations are continuously evolving, the impact assessment be different from the estimates made has at the date of approval of these financial statement and the management to will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the company and take necessary measures to address the situations.