

Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

ANNUAL REPORT 2022-23



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DIRECTORS' REPORT

To,
 The Members,
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Your Directors have pleasure in presenting Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2023.

1. FINANCIAL RESULTS

Your Company financial performance during the year 2022-23 is summarized below:

STANDALONE:

(Rs. In Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|--|-----------|-----------|
| Income from Operations | 7,002.94 | 5,176.91 |
| Other Income | 118.82 | 51.63 |
| Total Income | 7,121.76 | 5,228.54 |
| Less: Expenses | 6,198.76 | 4,785.32 |
| Profit/(Loss) Before Extraordinary Items and Tax | 923.00 | 443.22 |
| Less: Extraordinary Items | - | - |
| Profit/(Loss) Before Tax | 923.00 | 443.22 |
| Less: Taxation | 246.40 | 103.5 |
| Profit/(Loss) After Tax | 676.60 | 339.72 |
| EPS (in Rs.) | 3.42 | 1.72 |

CONSOLIDATED:

(Rs. In Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|--|-----------|-----------|
| Income from Operations | 7,002.94 | 5,176.91 |
| Other Income | 110.95 | 43.91 |
| Total Income | 7,113.89 | 5,220.82 |
| Less: Expenses | 6,201.23 | 4,785.44 |
| Profit/(Loss) Before Extraordinary Items and Tax | 912.66 | 435.38 |
| Less: Extraordinary Items | - | - |
| Profit/(Loss) Before Tax | 912.66 | 435.38 |
| Less: Taxation | 246.40 | 103.5 |
| Profit/(Loss) After Tax | 666.26 | 331.88 |
| EPS (in Rs.) | 3.37 | 1.68 |

2. FINANCIAL SUMMARY

As per standalone financial statement the Company earned a Total Income of Rs. 7,121.76 Lakhs during the FY 2022-23, as compared to the Total Income of Rs. 5,228.54 Lakhs earned in the previous FY 2021-22. The Company's Net Profit for the Financial Year ended March 31, 2023 stood at Rs. 676.60 Lakhs as against a Net Profit of Rs. 339.72 Lakhs in the previous year.

3. INITIAL PUBLIC OFFERING

The Directors are pleased to inform that the Company's Initial Public Offering (IPO) by Fresh Issue of 52,47,000 (Fifty Two Lakh Forty Seven Thousand Only) Equity Shares at a price of Rs. 37/- per shares aggregating to Rs. 19.41 Crores. The Issue opened on March 21, 2022 and closed on March 23, 2022. The main object of the IPO was to achieve the benefits of listing the Equity Shares on the Stock Exchanges which includes enhanced visibility and brand image of your Company and also fulfil working capital requirement of the company. The Company received Listing and trading started on NSE Emerge platform on March 31, 2022. The success of IPO reflects the trust, faith and confidence that investors, customers, business partners and markets have reposed in your Company.

4. CHANGE IN NAME

Subsequent to the end of the financial year, the name of the company has been changed from "**Empyrean Cashews Limited**" to "**Krishival Foods Limited**".

The approval of the shareholders was sought through Postal Ballot dated February 23, 2023.

The Registrar of Companies issued certificate of incorporation pursuant to change of name on April 24, 2023.

The National Stock Exchange issued approval letter for change of name on May 16, 2023.

5. CHANGE IN NATURE OF BUSINESS

During the financial year, the company has changed its objects vide special resolution passed by the members in the Annual General Meeting held on June 23, 2022 and has ventured into almonds and other dry fruits and also intends to enter into confectionery items such as breads, biscuits, sweets, cakes, pastries, cookies, wafers, lemon drops, chocolate, toffees, tinned fruits, chewing gum, bubble gum, detergents, tea and coffee, vegetables, fruits, jams, jelly, pickles, squashes, sausages, nutrient, health and diet foods / drinks, extruded foods, deal in oils, vegetable oils, poly oils, Cashew Nut Shell Liquid, CNSL value added products, confectionery items, sweets, cereals products, cashew milk, almond milk, cashew butter, nuts based protein powered, nut based breakfast mix and other value added processed products based on nuts and dried fruits and any other food products in and outside India.

The Registrar of Companies issued Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause on June 28, 2022.

6. TRANSFER TO RESERVES

The Company has transferred Profit to reserves during the financial year under review.

7. CHANGES IN SHARE CAPITAL

During the financial year, the Company increased Authorized Share Capital from ₹20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹10 each to ₹24,00,00,000 consisting of 2,40,00,000 Equity Shares of ₹10 each.

The approval of the shareholders was sought through of Postal Ballot dated February 23, 2023.

Subsequent to the end of the financial year, in the Board meeting held on May 25, 2023, 3,00,000 warrants were allotted to Ecotek General Trading LLC through preferential issue which were converted into equivalent number of equity shares.

The National Stock Exchange issued approval letter for trading of further issue of 3,00,000 Equity shares of Rs. 10/-each under Preferential issue are listed and admitted to dealings on the Exchange from June 16, 2023

Details of issue are as follows:

| | |
|---|---|
| Date of Issue | March 4, 2023 |
| Date of Allotment | May 25, 2023 |
| Method of allotment | Preferential Issue |
| Issue Price | Rs.257/- per share (including premium of Rs.247/- per share) |
| Conversion price | Rs.257/- per share (including premium of Rs.247/- per share) |
| Number of shares allotted or to be allotted in case the right or option is exercised by all the holders of such securities | 3,00,000 equity shares were allotted pursuant to conversion of 3,00,000 warrants issued to Ecotek General Trading LLC |
| Number of shares or securities allotted to the promoter group | Nil |
| In case, shares or securities are issued for consideration other than cash, a confirmation that price was determined on the basis of a valuation report of a registered valuer. | Nil |

Subsequent to the end of the financial year, in the Board meeting held on June 24, 2023, the Company increased authorized capital from existing Rs. 24,00,00,000/- (Rupees Twenty Four Crore Only) divided into 2,40,00,000 (Two Crore Forty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each to Rs. 24,50,00,000/- (Rupees Twenty Four Crore Fifty Lakhs Only) divided into 2,45,00,000 (Two Crore Forty Fifty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each ranking pari-passu in all respect with the existing Equity Shares of the Company, which is subject to approval of the member in ensuring AGM

8. DIVIDEND

The Board of Directors has recommended Final Dividend on Equity Shares @ Rs.0.16 per Equity Share of Face Value of 10/- (Rupees Ten Only) for the Financial Year ended March 31, 2023 subject to the approval of members in the ensuing Annual General Meeting.

The Board of Directors had recommended Final Dividend on Equity Shares @ Rs. 0.05 per Equity Share of Face Value of 10/- (Rupees Ten Only) for the Financial Year ended March 31, 2022 which was approved by members in the Annual General Meeting held on June 23, 2022.

9. DETAILS OF UNPAID DIVIDEND

In terms of the provisions of Section 124 and Section 125 of the Act, the declared dividends which remains unpaid/ unclaimed for a period of Seven (7) years from the date of declaration is required to be transferred to the Investor Education and Protection Fund (“IEPF”).

However, since Seven (7) years have not elapsed from the date of declaration and payment of dividend since incorporation, transfer of unpaid dividend and the shares on which dividend has not been paid or claimed, to Investor Education and Protection Fund (“IEPF”) is not applicable to the Company.

The Shareholders may claim their unclaimed / unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF.

During the year under review, Rs. 7,170.95/- is unclaimed Dividend of the Company.

In terms of Regulation 43A of the Listing Regulations, the Company has voluntarily adopted a Dividend Distribution Policy and the same is available on the website of the Company and can be accessed at: <https://krishival//Dividend Distribution Policy 1>

10. PUBLIC DEPOSITS

During the year, the Company has not accepted any deposit from public in the year under review.

11. BUY-BACK / SWEAT EQUITY / BONUS SHARES

The Company has neither bought back its shares nor has issued any sweat equity or Bonus shares during the year under review.

12. EMPLOYEE STOCK OPTIONS PLAN 2023- ECL ESOP

During the year under review, the approval of the shareholders was sought through Postal Ballot dated February 23, 2023 and the Nomination and Remuneration Committee in their meeting held on April 10, 2023 has granted options to the employees of the Company and its subsidiary company as per Employee Stock Option Plan 2023.

The scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

The disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are detailed under and is also available on company’s website at: <https://krishival/esop>

| Sr. No. | Particulars | Details |
|---------|---|--------------------------------|
| A | Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time. | Disclosed in Notes to Accounts |
| B | Disclosure of Diluted EPS on issue of shares | Disclosed in Notes to |

| | | |
|-----|--|--|
| | pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time. | Accounts |
| C | Details related to ESOP | |
| (i) | A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including:- | |
| | (a) Date of shareholders' approval | February 23, 2023 |
| | (b) Total number of options approved under ESOP | The Options to be granted to Eligible Employees under ECL ESOP 2023, in one or more tranches from time to time shall not exceed 19,75,000 (Nineteen Lakhs Seventy Five Thousand Only), which in aggregate shall be exercisable into not more than 19,75,000 (Nineteen Lakhs Seventy Five Thousand Only) equity shares of face value of ₹10/- each fully paid up, with each such Option conferring a right upon the Eligible Employees to apply for 01 (one) Equity Share of the Company in accordance with the terms and conditions as may be decided under the ECL ESOP 2023. |
| | (c) Vesting requirements | The Options granted under ECL ESOP 2023 would vest not earlier than 1 (one) year from the date of grant of such Options. |
| | (d) Exercise price or pricing formula | The Exercise Price for exercising options under ECL ESOP 2023 shall be as decided by the Compensation Committee in compliance with the accounting policies as specified under the SEBI SBEB Regulations and in no case such price be lesser than the face value |

| | | |
|-------|---|--|
| | | of Equity Shares of the Company. |
| | (e) Maximum term of options granted | The maximum vesting period may extend up to five years from date of grant of options or such other period as may be decided by the Compensation Committee. |
| | (f) Source of shares (primary, secondary or combination) | Primary |
| | (g) Variation in terms of options | Not Applicable |
| (ii) | Method used to account for ESOP - Intrinsic or fair value. | The Company shall use the Intrinsic Value method for valuation of the Option granted |
| (iii) | Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. | Not Applicable |
| (iv) | Option movement during the year (For each ESOP): | |
| | Number of options outstanding at the beginning of the period | 19,75,000 |
| | Number of options granted during the year | 5,34,000 |
| | Number of options forfeited / lapsed during the year | Not Applicable |
| | Number of options vested during the year | Nil |
| | Number of options exercised during the year | Nil |
| | Number of shares arising as a result of exercise of options | Eligible Employees are entitled for the allotment of One (01) Equity Share of the Company pursuant to exercise of One (01) option under the ECL ESOP 2023 |
| | Money realized by exercise of options (INR), if scheme is implemented directly by the company | Not Applicable |
| | Loan repaid by the Trust during the year from exercise price received | Not Applicable |
| | Number of options outstanding at the end of the year | 14,41,000 |
| | Number of options exercisable at the end of the year | Not Applicable |
| (v) | Weighted-average exercise prices and weighted-average fair values of options shall | Not Applicable |

| | | |
|-------|---|--|
| | be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | |
| (vi) | Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:- | No options were granted during the financial year. However, options were granted subsequent to the end of the financial year. |
| | senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; | 5,34,000 ESOP granted subsequent to the end of financial year. |
| | any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and | Not Applicable |
| | identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. | Not Applicable |
| (vii) | A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: - | |
| | (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; | Not Applicable |
| | (b) the method used and the assumptions made to incorporate the effects of expected early exercise; | The exercise multiple, which is based on historical data of early option exercise decisions of employees, incorporates early exercise price effect in the valuation of ESOP. The exercise multiple indicates that option holder tend to exercise their options when the share price reaches a particular multiple of the exercise price. |
| | (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and | Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares |

| | | |
|--|---|--|
| | | during a period equivalent to the expected term of the options. |
| | (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition. | Stock Price and risk free interest rate are variables based on actual market data at the time of ESOP valuation |
| D | Any material change to the scheme | The name of the company has been changed from Empyrean Cashews Limited to Krishival Foods Limited w.e.f. April 24, 2023. |
| Disclosures in respect of grants made in three years prior to IPO under each ESOP | | |
| | Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made. | Not Applicable |

Secretarial auditor certificate for ESOP compliance is being place before the members and is also available on company's website at: http://krishival.com/PCS_ESOP_Certificate

13. ISSUE OF DEBENTURES, BONDS OR ANY NON-CONVERTIBLE SECURITIES
 Company has not issued any debenture, bonds or non-convertible securities.

14. ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS TO PERSONS BELONGING TO NON-PROMOTER CATEGORY

During the year under review, the approval of the shareholders was granted in Extraordinary General Meeting held on March 4, 2023.

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held on March 18, 2023 has allotted 25,00,000 Convertible Warrants at a price of Rs. 257/- each by way of Preferential Issue to the non-promoter investors.

The Company received trading approval from NSE for 3,00,000 equity shares arising out of conversion of warrants w.e.f. June 16, 2023.

Disclosure of Event and Information pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular number CIR/CFD/CMD/4/2015 dated September 09, 2015 are as under and is also available on company's website in [krishival/BM outcome preferential](http://krishival.com/BM_outcome_preferential)

| Particulars of Securities | Details of Securities |
|--|---|
| Type of securities proposed to be issued | Convertible Warrants |
| Type of issuance | Preferential Issue in accordance with Chapter V |

| | |
|--|---|
| | of the SEBI ICDR Regulations and other applicable law. |
| Total number of securities proposed to be issued or the total amount for which the securities will be issued | Upto 25,00,000 Warrants at a price of Rs. 257/- per Warrant in Cash, for an aggregate consideration of upto Rs. 64,25,00,000/-. |
| Maturity Date | 18 months from the date of allotment i.e., September 18, 2024 |
| In case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s): | |
| Name of Investors | 1) Tano Investment Opportunities Fund – 22,00,000 Warrants 2) Ecotek General Trading LLC – 3,00,000 Warrants |
| Post Allotment of securities - outcome of the subscription, issue price / allotted price (in case of convertibles) | 25,00,000 Warrants at a price of Rs. 257/- per Warrant in Cash, for an aggregate consideration of upto Rs. 64,25,00,000/-. |
| Number of Investors | 2 (Two) |
| in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument; | <p>On Allotment of Warrants: 25% of the total consideration towards respective Warrants are paid by the respective allottees prior to the allotment and the balance shall be payable on or before conversion of the Warrants into Equity Shares.</p> <p>Conversion Ratio and Timeline: Each Warrant is convertible into one (1) Equity Share and the conversion can be exercised at any time within a period of 18 months from the date of allotment, in one or more tranches, as the case may be and on such other terms and conditions as applicable.</p> <p>Intimation on conversion of securities: Shall be duly communicated at an appropriate time</p> <p>On lapse of the tenure of the instrument: Shall be duly communicated at an appropriate time</p> |

15. STATUTORY AUDITORS

The Members had appointed M/s. Tamanna Parmar & Associates, Chartered Accountants, as Statutory Auditor of the Company in the Annual General Meeting held on October 11, 2021 for a period of five years from FY 2021-22 till FY 2025-26. M/s. Tamanna Parmar & Associates is the Statutory Auditor of the Company for the FY 2022-23.

16. INTERNAL AUDITOR

In the Board Meeting held on January 8, 2022, the Internal Auditor was appointed for a period of three years from FY 2021-22 to FY 2023-24. M/s Manant Jain & Co is the Internal Auditor of the Company for the FY 2022-23.

17. STATUTORY AUDIT REPORT

The Auditors' Report on the financial statement for the current year is self-explanatory, therefore does not require any further explanation. The Company has already submitted declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the Stock Exchange(s).

18. COST AUDITOR REPORT AND COST RECORD

The Directors state that Section 148(1) of the Companies Act, 2013, is not applicable to the company.

19. MATERIAL CHANGES AFTER THE CLOSE OF THE FINANCIAL YEAR

Changes subsequent to the financial years has been disclosed in the director report.

20. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

M/s MNB & Co. LLP, Practicing Company Secretary was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Years 2021-22 to 2023-24 pursuant to Section 204 of the Companies Act, 2013 and rules made there under. The Secretarial Audit Report for the Financial Year 2022-2023 forms part of the Annual Report. The Secretarial Audit Report is annexed to this Report.

The secretarial Audit report for the current year is self-explanatory, therefore does not require any further explanation.

21. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143

There are no frauds reported by the Statutory Auditors of the Company under Section 143 (12).

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in the Directorship of the Company during the year under review.

23. ANNUAL RETURN

The Annual Return along with Notice of AGM is uploaded on the website of the Company. The web link for the same is as under:
<https://krishival.com/pages/annual-return>

24. CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company and its subsidiaries for FY 2022-23 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations]. The audited consolidated financial statements together with the Independent Auditor's Report thereon form part of this Annual Report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the director report in Form AOC-1. Pursuant to the provisions of Section 136 of the Act, the

Company will make available the said financial statement of the subsidiary companies upon a request by any member of the Company or its subsidiary companies. These financial statements of the Company and the subsidiary companies will also be kept open for inspection by any member.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 and 8 of the Companies (Accounts) Rule, 2014, a statement containing salient features of financial statements of subsidiaries in **Form AOC-1 is attached herewith as Annexure V**. The separate audited financial statements in respect of the subsidiary companies are open for inspection and are also available on the website of Company. The statements are also available on the website of the Company and can be accessed at: <https://krishival.com/pages/our-group-companies> under the “Investors” Section.

25. DETAILS OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES, IF ANY:

Our Company has one wholly owned subsidiary namely, Siddhivinayak Cashew Industries Private Limited registered in India.

Our wholly owned Subsidiary is engaged in the line of business that is similar and/or synergistic to our Company, primarily pertaining to trading and processing of cashew and related dry fruit products. Our Subsidiary has been incorporated to undertake or operate in line with our Company’s business objectives in the markets, on behalf of our Company.

26. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES

As per financial statement the subsidiary Company made a loss of Rs.10.34 lakhs during the FY 2022-23, as compared to loss of Rs.7.83 lakhs in the previous FY 2021-22.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure I**.

28. VIGIL MEGHANISM

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. The web link for the policy is as under: <https://krishival/Vigil-Mechanism-Policy>

29. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility was not applicable for the financial year 2022-2023. However, the same is applicable from financial year 2023-2024.

The CSR committee has been formed and the policy on Corporate Social Responsibility is part of the website of the Company. The web link for the policy on Corporate Social Responsibility is as under: <https://krishival/Corporate-Social-Responsibility-Policy>

30. RELATED PARTY TRANSACTIONS

There were contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. The related party transactions as per AS 18 are given in the notes to the financial accounts and forms part of the Annual Report.

Pursuant to Section 188 (1) of the Act, particulars of contracts/arrangements entered into by the company with related parties is attached to the director report in Form AOC-2.

The policy on Related Party Transactions is part of the website of the Company. The web link for the policy on related party transaction is as under:

https://krishival/Disclosure_of_RPT_-_March_31_2023

31. RISK MANAGEMENT

The Company has devised and implemented a mechanism for risk management.

32. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. Details of the Familiarization program for Independent Directors form part of the website of the Company. The web link of Familiarization program is as under:

<https://krishival/Familiarization-Program-For-Independent-Directors>

33. INDEPENDENT DIRECTOR'S MEETING

The Independent Directors of the Company meets once in every Financial Year without the presence of Executive Directors and Management of the Company. The role of the Independent Directors is as per the provisions of Companies Act, 2013 as well as the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

34. DECLARATION BY INDEPENDENT DIRECTOR

Pursuant to Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company have given the declaration to the Company that they qualify the criteria of independence as required under the Act.

35. A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of the board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015, and are independent of the management of the Company. The Independent Directors have complied with the code prescribed in schedule IV of the Companies Act, 2013.

36. MEETING OF BOARD OF DIRECTORS

Details of meeting of the board of directors is annexed.

37. BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit,

Nomination & Remuneration and Stakeholder committee, including the Chairperson of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

38. CORPORATE GOVERNANCE

Pursuant to Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, compliance of Corporate Governance is not mandatory. However, the company has complied with the provisions of Regulation 17 to 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent possible. A separate section on Corporate Governance forms part of the Directors' Report as stipulated in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is included in the Annual Report as **Annexure II**.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report is annexed.

40. STATEMENT OF COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

The Board hereby states that the Company has complied with all the applicable secretarial standards to the extent possible.

41. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN OR INVESTMENTS MADE UNDER SECTION 186 OF COMPANIES ACT, 2013

Our Company has not given any loan to the Directors and/or Key Management Personnel. Particulars of loans, guarantees and investments made by Company pursuant to Section 186 of the Companies Act, 2013 are given in the notes to the financial accounts forming part of the Annual Report.

42. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

Material changes subsequent to the end of the financial year is disclosed herein above.

43. MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR

Material developments during the financial year is disclosed herein above.

44. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

As on March 31, 2023, there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016

45. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year ended March 31, 2023, there are no order passed by regulatory authority or Courts.

46. 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 THEREOF.

There is no one time settlement done with bank or any financial institution.

47. IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTORS REPORT SHALL EXPLAIN THE REASON THEREOF;

The trading of the company has not been suspended. The Company received Listing and trading started on NSE Emerge platform on March 31, 2022.

48. NOMINATION AND REMUNERATION POLICY

An extract of the Company's policy relating to directors appointment, payment of remuneration and discharge of their duties is annexed herewith. The web link to the Nomination and Remuneration Policy is as under:

<https://krishival/Nomination-And-Remuneration-Policy>

49. PARTICULARS OF EMPLOYEES

The Directors and employees do not exceed the remuneration criteria prescribed in Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details attached as **Annexure IV**.

The said information in detail is available for inspection at Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary, at the registered office and the same will be furnished on request.

50. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Board thereafter constituted a sexual harassment committee where the chairperson of the Committee is Aparna Morale Bangar, Shailesh Kumar Jain and Sunil Kumar Agarwal are the Members. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- a. number of complaints filed during the financial year - None
- b. number of complaints disposed of during the financial year - None
- c. number of complaints pending as on end of the financial year - None

51. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

52. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls besides timely statutory audit and limited reviews of performance taking place periodically.

53. REGISTRATION WITH INDEPENDENT DIRECTOR'S DATABANK

The Independent directors of the company are registered with Independent director databank.

54. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) Appropriate accounting policies have been selected and applied consistently and have 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 as at March 31, 2023 and of the profit for the Company for the year ended March 31, 2023;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- (f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

55. ACKNOWLEDGEMENT

Your Directors takes opportunity to show gratitude towards the assistance and co-operation received from Shareholders.

For and on Behalf of the Board of Directors of
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Aparna Morale Bangar
Chairperson & MD
DIN: 05332039

Nana Mhaske
Director & CEO
DIN: 01911731

Anant Kulkarni
Director & CFO
DIN: 01887356

Place: Mumbai
Date: June 24, 2023

ANNEXURE I

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

A. CONSERVATION OF ENERGY

(a) Major energy conservation measures taken during the year:

The Company has taken adequate measures to conserve energy by continuous monitoring and effective use of energy, which is a continuous process.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

No additional investment proposed.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Since it is continuous process of monitoring and usage, the impact is not quantifiable.

(d) During the year company has only consumed electricity as follows:

| | 2022-23 | 2021-22 |
|---------------------------------------|---------|---------|
| Total Electricity Expenses (in Lakhs) | 53.88/- | 33.24/- |

B. TECHNOLOGY ABSORPTION

Particulars with respect to technology absorption are given below:

A. Research and Development (R & D)

- i. Specific areas in which R & D carried out by the Company:
The Company has not carried out any research and development activities during the year under review.
- ii. Benefits derived as a result of the above R & D : Not Applicable
- iii. Future plan of Action : NIL
- iv. Expenditure on R & D.: NIL

B. Technology absorption, adoption and innovations: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Earnings: NIL

Total Outgo: Rs. 3435.45 (In Lakhs)

NOMINATION AND REMUNERATION POLICY

Extract of the Policy is as under:

Appointment of Directors:

The appointments of Directors are recommended by the Nomination and Remuneration Committee of the Company however all the appointments are subject to approval of Board of Directors of the Company.

Remuneration to Directors and Key Managerial Personnel:

Whole time directors are entitled to Remuneration and Independent Directors are entitled to sitting fees. Reimbursement of expenses is allowed wherever expense is made for the Company.

Discharge of Duties:

Directors and KMP are required to perform all the duties which are mentioned under the Articles and all other duties as may be prescribed by the Board of Directors of the Company.

ANNEXURE II

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes that Corporate Governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, and the good reputation of the Company and the unquestioned integrity of all personnel involved with the Company.

Pursuant to Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, compliance of Corporate Governance is not mandatory. However, the company has complied with the provisions of Regulation 17 to 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent possible.

The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and vision to the management and supervises the functioning of the Company. In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of stakeholders.

Details of Composition of Board as on March 31, 2023 are given below:-

| Sr. No. | Name of the Director | Category | Date of Appointment | Directorship in Other Companies# | Membership of Committee* | Member as Chairperson of Committee* |
|---------|---------------------------|--------------------------------------|---------------------|----------------------------------|--------------------------|-------------------------------------|
| 1. | Aparna Morale Bangar | Managing Director and Chairperson | August 16, 2021 | 5 | 0 | 0 |
| 2. | Nana Prakash Mhaske | Director and CEO | August 16, 2021 | 4 | 0 | 0 |
| 3. | Anant Pandurang Kulkarni | Director and CFO | August 16, 2021 | 3 | 0 | 0 |
| 4. | Shailesh Kumar Jain | Non-Executive – Independent Director | August 6, 2021 | 0 | 3 | 3 |
| 5. | Neeraj Kulbhushan Taandon | Non-Executive – Independent Director | August 6, 2021 | 0 | 3 | 0 |

| | | | | | | |
|----|---------------------------|--|--------------------|---|---|---|
| 6. | Sunil Kumar Agarwal | Non- Executive – Independent Director | October 1, 2021 | 9 | 3 | 0 |
|----|---------------------------|--|--------------------|---|---|---|

#Includes Private Companies but excludes Limited Liability Partnership, Foreign Companies, Section 8 Companies & Alternate Directorship

*Includes Audit Committee, Stakeholders Relationship Committee, Nomination and remuneration Committee only, of all companies including this company.

None of the Directors of the Company are directors in any other listed Company.

Note: None of the Director is a member of more than 10 committees or acting as Chairperson of more than 5 committees across all companies in which he is a director.

During the financial year 2022-23, seven (7) Board Meetings were held i.e. May 23, 2022, August 23, 2022, November 12, 2022, January 20, 2023, February 2, 2023, March 9, 2023 and March 18, 2023.

ATTENDANCE OF DIRECTORS FOR THE YEAR 2022-23

| Name of Director | Board Meeting | Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship Committee | AGM |
|---------------------------|---------------|-----------------|---------------------------------------|-------------------------------------|-----|
| Aparna Morale Bangar | 7 of 7 | - | - | - | YES |
| Nana Prakash Mhaske | 7 of 7 | - | - | - | YES |
| Anant Pandurang Kulkarni | 7 of 7 | - | - | - | YES |
| Shailesh Kumar Jain | 7 of 7 | 5 of 5 | 1 of 1 | 2 to 2 | YES |
| Neeraj Kulbhushan Taandon | 7 of 7 | 5 of 5 | 1 of 1 | 2 to 2 | YES |
| Sunil Kumar Agarwal | 7 of 7 | 5 of 5 | 1 of 1 | 2 to 2 | YES |

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors of the Company are related to each other.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS;

No shares of the Company are held by the non-executive Directors of the Company.

CMD and whole time directors hold shares in the Company

CHART OF SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

The following are the skills/competencies determined as required for the discharge of the obligations by the Board:

| Major Classification | Sub Classification | Remarks |
|----------------------|--------------------|---|
| Industry Related | Specific Skills | Good knowledge about the trading business and industry and the issues specific to the Company. |
| | Technical Skills | Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors). |
| Strategy Policy & | Strategy | Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals. |
| | Policies | Guidance for development of policies and other parameters within which the Company should operate for better control and management. |
| | Crisis Management | Ability to guide crisis management and provide leadership in hours of need. |
| Risk Compliance & | Operational | Identification of risks related to each area of operation. |
| | Legal | Monitor the risks and compliances and knowledge of regulatory requirements. |
| | Financial | Experience in accounting and finance, ability to analyze the financial statements presented, assess the viability of various financial proposals, oversea funding arrangements and budgets. |

SHARES HELD AND CASH COMPENSATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2023 (In Lakhs)

| Name | Fixed salary (lakhs) | | | Commis- sion | Sitting Fees (per meeting) | Total Compensation | Fully paid- up Ordinary Shares held (Nos.) |
|-------------------------------|----------------------|--------------------------|--------------------------|-----------------|-------------------------------------|-----------------------|--|
| | Basic | Perquisite/ Allowance | Total Fixed Salary | | | | |
| Executive Directors | | | | | | | |
| Ms. Aparna Bangar | 41 | Rent free accommodation | 41 | NA | NA | 41 | 76,80,641 |
| Mr. Anant Kulkarni | 12.50 | NA | 12.50 | NA | NA | 12.50 | 3,05,000 |
| Mr. Nana Mhaske | 14.20 | NA | 14.20 | NA | NA | 14.20 | 3,05,000 |
| Independent Directors | | | | | | | |
| Mr. Shailesh Jain | NA | NA | NA | NA | 0.05 | 0.75 | NA |
| Mr. Sunil Kumar Agarwal | NA | NA | NA | NA | 0.05 | 0.75 | NA |
| Mr. Neeraj Kulbhushan Taandon | NA | NA | NA | NA | 0.05 | 0.75 | NA |

Notes:

1. None of the Executive Directors is eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' remuneration in lieu thereof.
2. The company granted 5,34,000 stock options to the employees under the ECL ESOP 2023 which shall be exercisable into 5,34,000 equity shares of face value of ₹10/- each fully paid up. None of the whole-time Directors and Independent Directors were granted Stock options by the Company as on March 31, 2023.
3. None of our Directors holds any convertible instruments as on March 31, 2023.

INDEPENDENT DIRECTORS

In the opinion of the board, the independent directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015, and are independent of the management of the Company.

AUDIT COMMITTEE

The terms of reference of the Audit committee include the matters specified under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee, *inter alia*, include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- reviewing, with the management, the half yearly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the

statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- reviewing and monitoring the auditor's independence, performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee met Five (5) times during the year ended March 31, 2023, i.e. on, May 23, 2022, November 12, 2022, February 2, 2023, March 9, 2023 and March 18, 2023.

The Composition of Audit Committee is as under:

| Name of the Member | Status |
|---------------------------|---------------|
| Shailesh Kumar Jain | Chairperson |
| Neeraj Kulbhushan Taandon | Member |
| Sunil Kumar Agarwal | Member |

NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination and Remuneration Committee met One (1) time during the year ended March 31, 2023 i.e. on January 20, 2023 during the year.

Composition

The Composition of Nomination and Remuneration is as under:

| Name of the Member | Status |
|---------------------------|---------------|
| Shailesh Kumar Jain | Chairperson |
| Neeraj Kulbhushan Taandon | Member |
| Sunil Kumar Agarwal | Member |

STAKEHOLDERS RELATIONSHIP COMMITTEE

- a. The Committee looks into issues relating to shareholders / investors, including complaints relating to transfer / transmission of shares, issue of duplicate share certificates, non-receipt of annual report etc. and their redressal.
- b. The Committee presently comprises of three Members:

The Composition of Stakeholders Relationship Committee is as under:

| Name of the Member | Status |
|---------------------------|---------------|
| Shailesh Kumar Jain | Chairperson |
| Neeraj Kulbhushan Taandon | Member |
| Sunil Kumar Agarwal | Member |

- c. The Board has delegated power of approving transfer of shares to RTA.
- d. The Company Secretary of the Company is the Compliance Officer.
- e. During the year under review, no complaints were received from Shareholders / Investors.

During the year, the Stakeholder Relationship Committee met two (2) times during the year ended March 31, 2023, i.e., on, May 23, 2022 and November 12, 2022 during the year

SEXUAL HARASSMENT COMMITTEE

The Committee looks into the matter regarding Sexual Harassment at work place. Also various measures adopted by the Company in order to make the employees aware of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Composition of Sexual Harassment Committee is as under:

| Name of the Member | Status |
|---------------------------|---------------|
| Aparna Morale Bangar | Chairperson |

| | |
|---------------------|--------|
| Shailesh Kumar Jain | Member |
| Sunil Kumar Agarwal | Member |

GENERAL BODY MEETINGS

The details of General Meetings of the Company held in last 3 years are as under:

| Meetings | F.Y. | Date | Time | Venue |
|---------------|---------|-------------------|---------|-------------------|
| EGM | 2019-20 | November 11, 2020 | 11 a.m | Registered Office |
| AGM | 2019-20 | December 31, 2020 | 11 a.m | Registered Office |
| AGM | 2020-21 | October 11, 2021 | 11 a.m | Registered Office |
| EGM | 2021-22 | June 24, 2021 | 11 a.m | Registered Office |
| EGM | 2021-22 | November 08, 2021 | 11 a.m. | Registered Office |
| EGM | 2021-22 | December 02, 2021 | 11 a.m | Registered Office |
| EGM | 2021-22 | January 18, 2022 | 11 a.m. | Registered Office |
| AGM | 2021-22 | June 23, 2022 | 11 a.m | Registered Office |
| EGM | 2021-22 | February 02, 2022 | 4 p.m. | Registered Office |
| Postal Ballot | 2022-23 | February 23, 2023 | 4 p.m. | Registered Office |
| EGM | 2022-23 | March 4, 2023 | 12 p.m. | Registered Office |

All Directors attended the last Annual General Meeting.

Details of special resolution passed in last three General Meetings:

| Sr. No | Particulars | Date |
|--------|---|------------------|
| 1. | Shifting of Registered Office From One City to another within the same Roc and State: | June 24, 2021 |
| 2. | a) Appointment of Statutory Auditors b) Appointment of Ms. Aparna Sujit Bangar as Chairperson & Managing Director c) Appointment of Mr. Anant Pandurang Kulkarni as Executive Director Cum Chief Financial Officer d) Appointment of Mr. Nana Prakash Mhaske as Executive Director Cum Chief Executive Officer e) Appointment of Mr. Shailesh Jain as an Independent Non-Executive Director f) Appointment of Mr. Neeraj Kulbhushan Taandon as an Independent Non-Executive Director g) Appointment of Mr. Sunil Kumar Agarwal as an Independent Non-Executive Director | October 11, 2021 |
| 3. | a) Conversion of Private Company to Public Company b) Alteration of the Memorandum of Association c) Alteration of the Articles of Association d) To Adopt New Set of Articles of Association of the Company | November 8, 2021 |
| 4. | To increase the Authorised Share Capital of the | December 02, |

| | | |
|----|---|--|
| | Company and to amend Memorandum of Association | 2021 |
| 5. | Approval of Initial Public Issue of the Equity Shares of the Company | January 18, 2022 |
| 6. | Revision of Salary of Ms. Aparna Sujit Bangar as Chairperson & Managing Director | February 02, 2022 |
| 7. | A. To addition to main object of the company B. Approval of related party transaction | June 23, 2022 |
| 8. | A. Application for change in name of the company B. To increase the authorised share capital of the company and to alter capital clause of memorandum of association C. Approval of Empyrean Cashews Employee Stock Options Plan 2023 (ECL ESOP 2023) for employees of the company D. Empyrean cashews employee stock options plan 2023 (ECL ESOP 2023) for the employees of existing and future subsidiary company/ies E. Revision in remuneration of Ms. Aparna Morale Bangar, Chairperson and Managing Director F. Revision in remuneration of Mr. Anant Pandurang Kulkarni, Executive Director cum chief financial officer G. Revision in remuneration of Mr. Nana Prakash Mhaske, executive director cum chief executive officer | February 23, 2023 (Postal Ballot) |
| 9. | Issue of Convertible Warrants on Preferential Basis to Persons belonging to Non-Promoter Category | March 4, 2023 |

Details of Special Resolutions passed through postal ballot during previous three financial years:

FY 2021-22: NONE
FY 2020-21: NONE
FY 2019-20: NONE

Details of Special Resolutions passed through postal ballot during the Financial Year under review:

| Sr. No | Particulars | Date |
|--------|---|-------------------|
| 1. | Application for Change in Name of the Company | February 23, 2023 |
| 2. | Empyrean Cashews Employee Stock Options Plan 2023 (ECL ESOP 2023) for the Employees of existing and future subsidiary company/ies | February 23, 2023 |
| 3. | Revision in Remuneration of Ms. Aparna Morale Bangar, Chairperson and Managing Director | February 23, 2023 |
| 4. | Revision in Remuneration of Mr. Anant Pandurang Kulkarni, Executive Director Cum Chief Financial Officer | February 23, 2023 |
| 5. | Revision in Remuneration of Mr. Nana Prakash Mhaske, Executive Director Cum Chief Executive | February 23, 2023 |

| | | |
|--|---------|--|
| | Officer | |
|--|---------|--|

Details of Ordinary Resolution passed through postal ballot during the Financial Year under review:

| Sr. No | Particulars | Date |
|--------|--|-------------------|
| 1. | To increase the authorized share capital of the company and to alter capital clause of Memorandum of Association | February 23, 2023 |

Procedure adopted for postal ballot:

In accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 10/2021 dated June 23, 2021, issued by the Ministry of Corporate Affairs (“MCA Circulars”), above mentioned resolutions were proposed to be passed by means of Postal Ballot, only by way of remote e-voting process (“e-voting”).

In compliance with Regulation 44 of the SEBI LODR and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolution is restricted only to e-voting i.e., by casting votes electronically instead of submitting postal ballot forms. In compliance with the MCA Circulars, the postal ballot notice and instructions for e-voting are being sent only through electronic mode to those Members whose email addresses are registered with the Company / depository participant(s).

M/s. MNB & Co. LLP., Practicing Company Secretaries acted as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Members exercised their vote(s) by e-voting during the period from Wednesday, January 25, 2023 at 10.00 a.m. and ends on Thursday, February 23, 2023 at 5.00 p.m.

The Scrutinizer submitted their report on February 25, 2023, after the completion of scrutiny and result of the e-voting was announced on the same day. The summary of voting result is given below:

1. Application for Change in Name of the Company

| Particulars | % of total votes | Result |
|-----------------------------------|------------------|--------------------------------|
| Votes in favour of the Resolution | 100% | Passed with Requisite Majority |
| Votes against the Resolution | 0% | |

2. To Increase the Authorised Share Capital of The Company and to alter Capital Clause of Memorandum of Association

| Particulars | % of total votes | Result |
|-----------------------------------|------------------|--------------------------------|
| Votes in favour of the Resolution | 100% | Passed with Requisite Majority |
| Votes against the Resolution | 0% | |

3. Empyrean Cashews Employee Stock Options Plan 2023 (ECL ESOP 2023) for the Employees of existing and future subsidiary company/ies

| Particulars | % of total votes | Result |
|-----------------------------------|------------------|--------------------------------|
| Votes in favour of the Resolution | 100% | Passed with Requisite Majority |
| Votes against the Resolution | 0% | |

4. Revision in Remuneration of Ms. Aparna Morale Bangar, Chairperson and Managing Director

| Particulars | % of total votes | Result |
|-----------------------------------|------------------|--------------------------------|
| Votes in favour of the Resolution | 100% | Passed with Requisite Majority |
| Votes against the Resolution | 0% | |

5. Revision in Remuneration of Mr. Anant Pandurang Kulkarni, Executive Director Cum Chief Financial Officer

| Particulars | % of total votes | Result |
|-----------------------------------|------------------|--------------------------------|
| Votes in favour of the Resolution | 100% | Passed with Requisite Majority |
| Votes against the Resolution | 0% | |

6. Revision in Remuneration of Mr. Nana Prakash Mhaske, Executive Director Cum Chief Executive Officer

| Particulars | % of total votes | Result |
|-----------------------------------|------------------|--------------------------------|
| Votes in favour of the Resolution | 100% | Passed with Requisite Majority |
| Votes against the Resolution | 0% | |

MEANS OF COMMUNICATION

Your Company regularly provides relevant information to the Stock Exchange as per the requirements of the provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

- The half-yearly and Annual financial results of the Company are published in leading newspapers in India and uploaded with NSE Limited.
- The results and official news are available on www.nseindia.com and the website of the Company www.krishival.com
- Your Company has posted all its Official News releases on its website.
- No formal representations were made to Institutional Investors or Analysts during the year under review.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Annual Report as **Annexure III**

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section “Shareholders Information” which forms part of this Annual Report.

a. Annual General Meeting

Day & Date: Saturday, July 22, 2023

Venue: Registered Office
 Time: 11:00 a.m.
 Financial Calendar: April 1, 2022 to March 31, 2023

b. Financial year April 1, 2022 – March 31, 2023 Calendar (tentative dates of declaration of half yearly results)

2nd half year: Within 45 Days from end of respective half year
 4th full year: Within 60 Days from end of respective year

- c. Date of Book Closure :** July 17, 2023 to July 19, 2023.
 (Both days inclusive)
- d. Dividend Payment :** Rs. 0.16 per Equity Share
 (The record date for dividend is July 16, 2023)
- e. Listing of Shares :** National Stock Exchange Limited
- f. Listing Fees :** Paid
- g. Stock Code & ISIN :** KRISHIVAL,
 : INE0GGO01015 (Equity)
 : INE0GGO13010 (Warrants)

h. Market Price Data

| Month | Price on NSE EMERGE (Rs.) | | | |
|-----------|---------------------------|--------|--------|--------|
| | Open | High | Low | Close |
| Apr 2022 | 46.3 | 122.5 | 46.3 | 122.5 |
| May 2022 | 128.6 | 252.3 | 128.6 | 252.3 |
| June 2022 | 264.9 | 321.65 | 240.1 | 285.85 |
| July 2022 | 293.95 | 316.65 | 246.3 | 294.95 |
| Aug 2022 | 308.95 | 316 | 283.1 | 285 |
| Sept 2022 | 287.9 | 300 | 265.5 | 275 |
| Oct 2022 | 264 | 291.55 | 260 | 289.45 |
| Nov 2022 | 291 | 303.9 | 255 | 259.95 |
| Dec 2022 | 259 | 266.15 | 230.85 | 240 |
| Jan 2023 | 242 | 255 | 193.45 | 193.45 |
| Feb 2023 | 194 | 285.65 | 194 | 260 |
| Mar 2023 | 262 | 309.95 | 250 | 270.85 |

The Company got listed on March 31, 2022.

i. NSE Nifty

| Month | Open | High | Low |
|--------|-----------|-----------|-----------|
| Apr-22 | 17,436.90 | 18,114.65 | 16,824.70 |
| May-22 | 16,924.45 | 17,132.85 | 15,735.75 |
| Jun-22 | 16,594.40 | 16,793.85 | 15,183.40 |
| Jul-22 | 15,703.70 | 17,172.80 | 15,511.05 |
| Aug-22 | 17,243.20 | 17,992.20 | 17,154.80 |

| | | | |
|--------|-----------|-----------|-----------|
| Sep-22 | 17,485.70 | 18,096.15 | 16,747.70 |
| Oct-22 | 17,102.10 | 18,022.80 | 16,855.55 |
| Nov-22 | 18,130.70 | 18,816.05 | 17,959.20 |
| Dec-22 | 18,871.95 | 18,887.60 | 17,774.25 |
| Jan-23 | 18,131.70 | 18,251.95 | 17,405.55 |
| Feb-23 | 17,811.60 | 18,134.75 | 17,255.20 |
| Mar-23 | 17,360.10 | 17,799.95 | 16,828.35 |

j. Distribution of Holding (As on March 31, 2023)

| Shareholding of Nominal Value | Shareholders | % | Shares | % |
|-------------------------------|--------------|------------|--------------------|------------|
| Upto 5,000 | 2 | 0.75 | 1,000 | 0.01 |
| 5,001 – 10,000 | 59 | 22.01 | 59,000 | 0.30 |
| 10,001 – 20,000 | 26 | 9.70 | 51,500 | 0.26 |
| 20,001 – 30,000 | 67 | 25 | 2,01,000 | 1.02 |
| 30,001 – 40,000 | 6 | 2.24 | 24,000 | 0.12 |
| 40,001 – 50,000 | 3 | 1.12 | 15,000 | 0.07 |
| 50,001 – 1,00,000 | 32 | 11.94 | 2,27,000 | 1.15 |
| 1,00,001 and above | 73 | 27.24 | 1,92,16,641 | 97.08 |
| TOTAL | 268 | 100 | 1,97,95,141 | 100 |

k. Shareholding Pattern as on March 31, 2023

| Categories | No. of Shares | % of Shareholding |
|------------------------|--------------------|-------------------|
| Resident Individuals | 1,01,94,000 | 51.50 |
| Bodies Corporate | 11,29,000 | 5.70 |
| Clearing Members | 25,000 | 0.13 |
| Promoters | 82,90,641 | 41.88 |
| N.R.I. (Repat) | 12,000 | 0.06 |
| Hindu Undivided Family | 1,44,500 | 0.73 |
| Total | 1,97,95,141 | 100.00 |

1. Registrar and Transfer Agent

Purva Sharegistry (India) Private Limited
 9, Shiv Shakti Industrial Estate, J.R. BorichaMarg, Lower
 Parel (East), Mumbai – 400 011;
Tel.: 91 22 23012518/8261; **Fax:** 91 22 23012517;
Email: support@purvashare.com; **Website:** www.purvashare.com

m. Share Transfer System: Share Transfer in physical form are generally registered and returned within 15 days from the date of receipt in case if documents are complete in all respects.

n. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity: In the board meeting held on March 18, 2023 Company has issued 25,00,000 warrants to FII which shall be converted within 18 months from the date of allotment of convertible warrants. As on date, 3,00,000 have already been converted into equity shares.

- o. Dematerialization of shares and liquidity:** 100% of the shares are held in DEMAT form. Company has DEMAT connectivity with CDSL & NSDL. Bifurcations of shares held in physical and demat form as on March 31, 2023.

| Particulars | No. of Shares | % |
|----------------------|----------------------|----------------|
| Physical Segment | 0 | 0% |
| Demat Segment | | |
| NSDL | 9634,141 | 48.67% |
| CDSL | 1,01,61,000 | 51.33% |
| Total | 1,97,95,141 | 100.00% |

p. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from your Company's Registrar and Share Transfer Agent.

q. Address for Communication

Registered Office : 1309, Lodha Supremus Powai, Saki Vihar Road, opposite MTNL office, Powai, Mumbai - 400072, Maharashtra, India

Mobile No:+91 8779558264; Email ID: cs@krishival.com;

- r. Credit Ratings:** The Company has not obtained any credit rating for its securities.

s. Other Disclosures:

- (i.) Disclosures on materially significant related party transactions:
The Company does not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.
- (ii.) Cases of Non-compliances / Penalties: **None.**
- (iii.) Vigil Mechanism / Whistle Blower: Information relating to Vigil mechanism has been provided in the Board's Report. The Company has adopted the Whistle Blower Policy with direct access to Chairperson of Audit Committee. The policy is available on the website of the company: <https://krishival/Vigil-Mechanism-Policy>
- (iv.) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company has complied with all mandatory and applicable requirements.
- (v.) Policy for determining material subsidiaries: Policy for determining material subsidiaries is disseminated on the website of the company: <https://krishival/Policy-For-Determining-Material-Subsidiary>
- (vi.) Policy on dealing with Related Party Transactions: Policy on dealing with Related Party Transactions is disseminated on the website of the company: <https://krishival/Related-Party-Transactions>
- (vii.) Policy on dealing with Code of Conduct and Ethics is disseminated on the website of the company: <https://krishival/Code-Of-Conduct-For-Board-Of-Directors-And-Senior-Management>

- (viii.) Policy on diversity of board of directors is disseminated on the website of the company: <https://krishival/Policy-On-Board-Diversity>
- (ix.) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: The Company has not undertaken any Foreign Exchange or hedging activities.
- (x.) Details of utilization of funds raised through Preferential Issue of warrants: The Company had raised Rs.16,06,25,000/- against 25% amount received on allotment of 25,00,000 warrants.
Subsequent to end of the financial year during the Month of April 2023 Rs. 5,78,25,000/- against balance 75% amount received on conversion of 3,00,000 warrants into equity shares, from warrant holders and the same has been utilized for the object of the issue.
- (xi.) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors: Attached separately
- (xii.) Recommendations of the Committee which were not accepted by the Board of Directors: None
- (xiii.) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:
There were no payments to the Statutory Auditor or other entities in the network firm/network entity of which the statutory auditor is a part by the Company, other than the audit fee and related payments as disclosed in the financial statements.
- (xiv.) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 –
 - a. number of complaints filed during the financial year - NIL
 - b. number of complaints disposed of during the financial year - NIL
 - c. number of complaints pending as on end of the financial year - NIL
- (xv.) The Register of Contracts/ Statement of related party transactions are placed before the Board/ Audit Committee regularly.
- (xvi.) None of the shares of the Company are held by the non-executive Directors of the Company.
- (xvii.) There were no pecuniary transactions of the Non-executive Directors viz-a-viz the Company.
- (xviii.) The Auditors has given an unmodified opinion on the financial statement.
- (xix.) Internal Audit Report is placed before the Audit committee.

CODE OF CONDUCT

The Company's Board of Directors has adopted the code of conduct which governs the conduct of all Directors / Employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on March 31, 2023. The Declaration by Board of Directors to this effect is reproduced below.

CEO/CFO CERTIFICATION

A certificate signed by Director is attached with this report.

DECLARATION

It is hereby declared that all the Board Members and Senior Managerial Personnel have affirmed compliance of code of conduct, pursuant to Corporate Governance, for the year ended March 31, 2023.

For and on Behalf of the Board of Directors of
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Aparna Morale Bangar
Chairperson & MD
DIN: 05332039

Nana Mhaske
Director & CEO
DIN: 01911731

Anant Kulkarni
Director & CFO
DIN: 01887356

Place: Mumbai
Date: June 24, 2023

**CHIEF EXECUTIVE OFFICER (CEO)
AND
CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION**

To
The Board of Directors,
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

We, Chief Executive Officer and Chief Financial Officer of the Company, do hereby certify that:

1. We have reviewed the financial statements and the cash flow statement for the year 2022-23 and to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - a. Significant changes in internal control over financial reporting during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on Behalf of the Board of Directors of
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Nana Mhaske
Director & CEO
DIN: 01911731

Anant Kulkarni
Director & CFO
DIN: 01887356

Place: Mumbai
Date: June 24, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to clause C of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015).

To
The Members,
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Pursuant to item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, we hereby certify that none of the directors of the company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI, Ministry of Corporate Affairs or any such statutory authority.

For MNB & Co. LLP,
Practicing Company Secretaries,

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307

Place: Mumbai
Date: June 24, 2023

UDIN: F008242E000471221
Peer Review: 1259/2021

Annexure III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is into the business of processing, selling of dry fruits and nuts. The key issues of the Management Discussion and Analysis are given hereunder:

Industry Structure and Development

Current market is characterized by inflationary pressure in fast moving consumer goods (FMCG). Input cost inflation was the challenge and it was aggregated by the recent global events like Ukraine war. Indian economy has seen robust consumption especially in packaged food segments. Nuts and dried fruit industry has been growing continuously in recent times and this year was not exception. Post covid surge in preference to have healthy foods has continued and rather consolidated.

Discussion on financial performance with respect to operational performance

Krishival Foods Limited (formerly known as Empyrean Cashews Limited) was originally incorporated in 2014 and has commenced operations in same year under the name and style of the brand “Krishival”. Our Company is engaged in processing nuts and dried fruits into finished kernels in different flavours.

Segment-wise or product-wise performance

The Company is into single reportable segment only.

Outlook

Krishival Foods Limited (formerly known as Empyrean Cashews Limited) remains confident of the long-term growth prospects & opportunities ahead of it in its business.

Internal control system and adequacy

The system of internal control has been established to provide reasonable assurance of safeguarding assets, maintenance of proper accounting records in compliance with applicable Laws and Regulations to ensure reliability of financial statements and reports. The Statutory Auditors and the Audit Committee review all financial statements and ensure adequacy of internal control systems.

Opportunities and Threats

India has commenced journey of per capita income from USD 2600 towards USD 5000. Globally there is huge jump in discretionary spending in this period. India is on the cusp of new consumption boom from aspirational middle class. This augurs well for nuts and dried fruit segment. Company has been expanding its reach in tier 2 and tier 3 towns across India. The brand ‘Krishival’ has been present in more than 100 towns and places across India. The company will keep expanding its presence across India.

The epidemic like Covid-19 and external security situation like Ukraine war can be attributed as major threats.

Risks Management

Risk evaluation and management of risk is an ongoing process in the company.

Human Resources

Since your Company is in to the business of processing, selling and trading of dry fruits and nuts, the criticality of talented man-power and their retention needs no

emphasis. Your company is in the process of working out a comprehensive plan to attract, motivate and retain highly skilled and technically competent man-power.

Details of Significant Changes

- Debtors Turnover: 29.62
- Inventory Turnover: 3.84
- Interest Coverage Ratio: 10.21
- Current Ratio: 12.89
- Debt Equity Ratio: 0.15
- Operating Profit Margin: 14.61%
- Net Profit/Loss Margin: 10%

Details of change in Return on Net Worth as compared to immediately previous financial year along with the detailed explanation thereof

- Return on networth
- FY 2019-20: 3.51%
- FY 2020-21: 3.43%
- FY 2021-22: 8.04%

Cautionary Statement

Statements in the Management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable 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 prices, conditions in the domestic and overseas markets in which the company operates/ going to operate, changes in government regulations, tax laws and other statutes and other incidental factors.

For and on Behalf of the Board of Directors of
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Aparna Morale Bangar
Chairperson & MD
DIN: 05332039

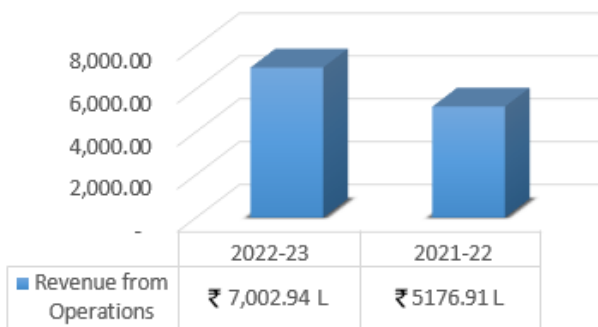
Nana Mhaske
Director & CEO
DIN: 01911731

Anant Kulkarni
Director & CFO
DIN: 01887356

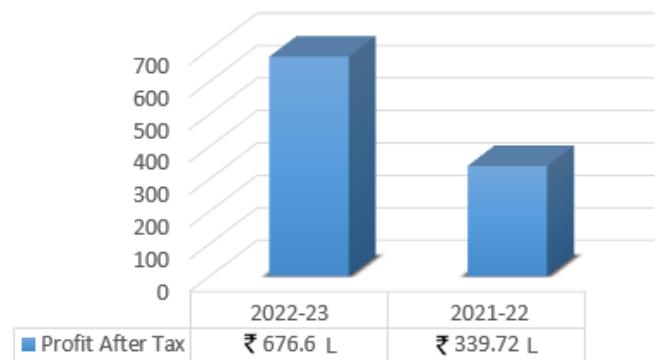
Place: Mumbai
Date: June 24, 2023

Financials

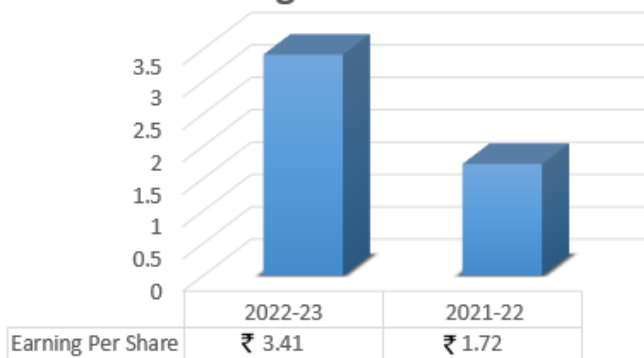
Revenue from Operations



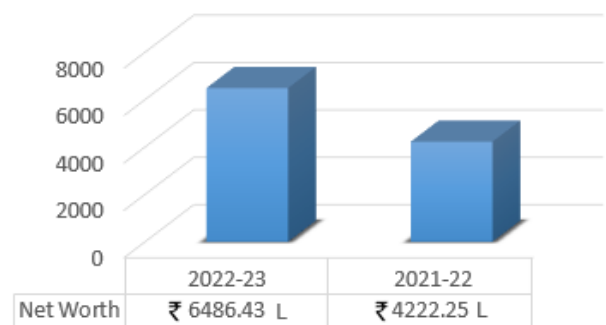
Profit After Tax



Earning Per Share



Net Worth



Annexure IV

Details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Whole Time Director during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:**

| Sr. No. | Name of Director/KMP and designation | Remuneration of Director/KMP for Financial Year 2022-23 (Rs. in Lakhs) | % increase/ (decrease) in Remuneration for Financial Year 2022-23 | Ratio of remuneration of each Director to median remuneration of employees |
|---------|--|--|---|--|
| 1. | Ms. Aparna Bangar Chairperson & MD | 41 | 36.60% | 1800.41 |
| 2. | Mr. Anant Kulkarni Director & CFO | 12.5 | 4.16% | 548.91 |
| 3. | Mr. Nana Mhaske Director & CEO | 14.2 | 2.90% | 623.56 |
| 4. | Mr. Rahul Gawande Company Secretary | 4.80 | 0% | NA |

- b) **Percentage increase in the median remuneration of employees in the financial year**

In the financial year 2022-23, there was no increase in the median remuneration of employees.

- c) **Number of permanent employees on the rolls of Company**

There are forty three permanent employees on the rolls of Company as on March 31, 2023.

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

There has been increase in the salaries of employees and the managerial personnel for the financial year i.e. 2022-23. The percentage increases as follows:

Managerial Remuneration: 17.84%
Employees Remuneration: 2.96%

e) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on Behalf of the Board of Directors of
Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Aparna Morale Bangar
Chairperson & MD
DIN: 05332039

Nana Mhaske
Director & CEO
DIN: 01911731

Anant Kulkarni
Director & CFO
DIN: 01887356

Place: Mumbai
Date: June 24, 2023

Annexure V

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A - Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in lakhs)

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1 | Name of the subsidiary | Siddhivinayak Cashew Industries Pvt. Ltd. |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 2022-23 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | NA |
| 4 | Share capital (Rs.) | 1 Lakh |
| 5 | Reserves & surplus | (18.18) |
| 6 | Total assets | 66.78 |
| 7 | Total Liabilities | 83.96 |
| 8 | Investments | - |
| 9 | Turnover | - |
| 10 | Profit before taxation | (10.34) |
| 11 | Provision for taxation | - |
| 12 | Profit after taxation | (10.34) |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | 100% |

1. Names of subsidiaries which are yet to commence operations - NONE
2. Names of subsidiaries which have been liquidated or sold during the year - NONE

For and on Behalf of the Board of Directors of

Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Aparna Morale Bangar
Chairperson & MD
DIN: 05332039

Nana Mhaske
Director & CEO
DIN: 01911731

Anant Kulkarni
Director & CFO
DIN: 01887356

Place: Mumbai
Date: June 24, 2023

FORM NO. AOC -2

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

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

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

| SL. No. | Particulars | Details |
|---------|---|----------------|
| a) | Name (s) of the related party & nature of relationship | NOT APPLICABLE |
| b) | Nature of contracts/arrangements/transaction | |
| c) | Duration of the contracts/arrangements/transaction | |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions' | |
| f) | Date of approval by the Board | |
| g) | Amount paid as advances, if any | |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

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

| Sr. No | Particular | Details | | |
|--------|---|-------------------------|----------------------------|---------------------------|
| a) | Name (s) of the related party & nature of relationship | Nana Mhaske Director | Anant Kulkarni Director | Aparna Bangar Director |
| b) | Nature of contracts / arrangements / transaction | Remuneration Paid | Remuneration Paid | Remuneration Paid |
| c) | Duration of the contracts / arrangements / transaction | FY 2022-23 | FY 2022-23 | FY 2022-23 |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Rs. 14.20 lakhs | Rs. 12.50 lakhs | Rs. 41 lakhs |
| e) | Date of approval by the Board | May 23, 2022 | May 23, 2022 | May 23, 2022 |
| f) | Amount paid as advances, if any | NA | NA | |

| Sr. No. | Particulars | Details | | | | | |
|---------|--|--------------------------|-----------------------|---|--------------------------|---------------|---|
| | Name (s) of the related party & nature of relationship | SSBA Innovations Limited | SSBA Capital Advisors | Siddhivinayak Cashew Industries Private Limited | SSBA Innovations Limited | SA Trading | Siddhivinayak Cashew Industries Private Limited |
| | Nature of contracts / arrangements / transaction | Given office on Rent | Given office on Rent | Given office on Rent | Sales | Share of Loss | Loans & Advances |
| | Duration of the contracts / arrangements / transaction | FY 2022-23 | FY 2022-23 | FY 2022-23 | FY 2022-23 | FY 2022-23 | FY 2022-23 |

| | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|--------------|
| Salient terms of the contracts or arrangements or transaction including the value, if any | Rs. 2.97 Lakhs | Rs. 2.97 lakhs | Rs. 1.20 lakhs | Rs. 0.51 lakhs | Rs. 1.62 lakhs | Rs. 71 lakhs |
| Date of approval by the Board | May 23, 2022 | May 23, 2022 | May 23, 2022 | May 23, 2022 | May 23, 2022 | May 23, 2022 |
| Amount paid as advances, if any | NA | NA | NA | NA | NA | NA |

For and on Behalf of the Board of Directors of

Krishival Foods Limited
(Formerly known as Empyrean Cashews Limited)

Aparna Morale Bangar
Chairperson & MD
DIN: 05332039

Nana Mhaske
Director & CEO
DIN: 01911731

Anant Kulkarni
Director & CFO
DIN: 01887356

Place: Mumbai
Date: June 24, 2023

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on March 31, 2023

[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] and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Krishival Foods Limited,
(previously known as Empyrean Cashews Limited)
1309, Lodha Supremus, Powai,
Sakivihar Road, Opp. MTNL Office,
Mumbai - 400072, Maharashtra, India

CIN: L74120MH2014PLC254748

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Krishival Foods Limited**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2023** 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 the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: -
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct

Investment and External Commercial Borrowings; *(to the extent applicable during the period under review)*

- (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: - *(to the extent applicable during the period under review)*
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; *(to the extent applicable during the period under review)*.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(to the extent applicable during the period under review)*.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(to the extent applicable during the period under review)*.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(to the extent applicable during the period under review)*.
 - (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; *(to the extent applicable during the period under review)*.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable to the company during the audit period)*;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(not applicable to the company during the audit period)*;
 - (i) Other applicable laws to Company:
 - i. The Industrial Disputes Act, 1947
 - ii. The Trade Unions Act, 1926
 - iii. The Employees' Compensation Act, 1923

- iv. The Employees' Pf And Miscellaneous Provisions Act, 1952
- v. The Minimum Wages Act, 1948
- vi. The Factories Act, 1948
- vii. The Payment Of Bonus Act, 1965
- viii. The Apprentices Act, 1961
- ix. The Maternity Benefit Act, 1961
- x. The Payment Of Gratuity Act, 1972
- xi. The Child Labour (Prohibition And Regulation) Act, 1986
- xii. Water (Prevention and Control of Pollution) Act, 1974
- xiii. Air (Prevention and Control of Pollution) Act, 1981
- xiv. Employees' State Insurance Act, 1948
- xv. GST Related Act
- xvi. Food Safety and Standards Act, 2006
- xvii. Legal Metrology Act, 2009
- xviii. Environment Protection Act, 1986
- xix. Trademarks and Copyrights related acts
- xx. General local laws as may be applicable to the Company.

We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

As per management representation in writing received by us stating that during audit period, the company has adequate and proper compliance mechanism system in place for compliance of all laws applicable to the company.

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

- (i) The Company has complied with Secretarial Standards pursuant to Section 118(10) of the Companies Act, 2013 with regard to Members Meeting and Board of Directors Meetings.
- (ii) Various Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as were applicable to the Company, are complied with by the company during the period under review.

We further report that:

The Board of Directors of the Company is duly constituted with 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.

1. During the year under review, the Company has changed its name from Empyrean Cashews Limited to Krishival Foods Limited. (CA Certificate was uploaded on the website instead of the notice of Postal Ballot).
2. During the year under review, the Company has increased its Authorised Share Capital from Rs. 20,00,00,000 (Rupees Twenty Crore Rupees) to Rs. 24,00,00,000 (Rupees Twenty-Four Crore).
3. During the year under review, the Company has issued and allotted Warrants on Preferential Basis.
4. During the year under review, the Company has approved Empyrean Cashews Limited Employee Stock Options Plan 2023 ("ECL ESOP 2023") for Employees of the Company and Subsidiary Company.

Adequate notice is given to all the 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.

For MNB & Co. LLP
Practicing Company Secretaries,

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307

Place: Mumbai
Date: May 25, 2023

UDIN: F008242E000341401
Peer Review: 1259/2021

Note: This report is to be read with our letter of even date which is annexed as Annexure herewith and forms and integral part of this report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Krishival Foods Limited,
(Previously known as Empyrean Cashews Limited)
1309, Lodha Supremus, Powai,
Sakivihar Road, Opp. MTNL Office,
Mumbai - 400072, Maharashtra, India

CIN: L74120MH2014PLC254748

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

1. Maintenance of secretarial records 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. I 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 representations 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 and 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 MNB & Co. LLP
Practicing Company Secretaries,

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307

Place: Mumbai
Date: May 25, 2023

UDIN: F008242E000341401
Peer Review: 1259/2021



INDEPENDENT AUDITOR'S REPORT

To the Members of **KRISHIVAL FOODS LIMITED (formerly known as Empyrean cashews Limited)**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of KRISHIVAL FOODS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “standalone financial statements”).

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 (‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in

accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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, during the year we could not see any key audit matters that requires significant reporting.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management for Financial statements:-

The Company's management and the Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards prescribed 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. According to information and explanations given to us and based on our examination of the records of the company, the company has paid managerial remuneration in accordance with the provision 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, 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 material 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.
- i. (a) The management has represented that to the best of his 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 his knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the 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 the 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 misstatement.

- j. The final dividend proposed in the previous year, declared and paid during the current year is in accordance with section-123 of Companies Act 2013.
- k. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Tamanna Parmar & Associates
Chartered Accountants
Firm's Registration No. 01444C

CA Tamanna Parmar
Partner
Place : Mumbai
Date :25/05/2023
Membership No. 409291
UDIN :- 23409291BGYUPL8371

“Annexure A” to the Independent Auditor’s Report on the Standalone Financial Statements of KRISHIVAL FOODS LIMITED for the year ended March 31, 2023

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our Report of even date to the Financial Statements of the Company for the year ended March 31, 2023.

i. PPE AND INTANGIBLE ASSETS: -

- a. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and intangible assets.
- b. The Property, Plant and Equipment have been physically verified by the management once in a year, which in our opinion is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, PPE has been physically verified by the management during the year and no material discrepancies between the books records and the physical verification of PPE have been noticed.
- c. As per our verification of records of company and books of accounts of company, all immovable property documents are in the name of company , hence other details in tabular formats in relation to title of documents held in the name of other person, is not required to be given.
- d. There has been no revaluation of its PPE or intangible assets or both during the financial year.
- e. In terms of Information and explanation sought by us, no proceeding have been initiated or is pending against the company during the year for holding any benami property under Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

ii. INVENTORIES:-

- a. In our opinion and according to the information and explanation given to us, the management has conducted the physical verification of inventory at reasonable intervals and no material discrepancies

between the books record and physical verification noticed. In our opinion coverage and procedure of such verification by the management is appropriate.

- b. In terms of Information and explanation sought by us, and given by the company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that during the year company has not been sanctioned working capital limit in excess of Rs 5 crore in aggregate from bank and financial institution on the basis of security of current assets.

iii. LOANS AND ADVANCES, GUARANTEES, SECURITIES:-

- a. In terms of Information and explanation sought by us, and given by the company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, during the financial year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties except some business advances in the course of business.
- b. In our opinion and according to the information and explanation given to us, during the course of audit the company has not made any investments, provided guarantees, security given to any third party in relation to loans and advances..
- c. In relation to loans and advances, there is no schedule of repayment of principal and interest, hence receipts accordingly is not verified. However management is of the view that loan given to wholly owned subsidiary company, is repayable on demand.
- d. In our opinion and according to the information and explanation given to us, during the course of audit there is no loan amount of overdue more than 90 days and hence reporting under the same is not applicable.
- e. In our opinion and according to the information and explanation given to us, during the course of audit there is no loan amount granted to settle the overdue of the existing loan of the same party, hence reporting under the same is not applicable to the company.

- f. In our opinion and according to the information and explanation given to us, during the course of audit there is no loan amount granted during the year, which is repayable on demand to persons specified in clause 2 (76) of the companies act 2013. However as on 31/03/23 there is closing balance of loans and advances, given to wholly owned subsidiary which is repayable on demand.

iv. COMPLIANCE IN RELATION TO LOAN TO DIRECTORS:-

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

v. ACCEPTANCE OF DEPOSITS:-

- a. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, wherever applicable.
- b. According to the information and explanation given to us and based on our verification of documents in the course of audit, there has not been any deemed deposits during the year.

vi. COST ACCOUNTING RECORDS:-

As informed to us and as per the provision of section-148(1) of the act r.w. companies (cost records and audit) rules, 2014, our company is not falling within the specified class of companies, which are obliged to maintain cost records, hence reporting under the said clause is not applicable.

vii. STATUTORY DUES:-

- a. According to information and explanations given to us and 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 Goods and service tax, Provident Fund,

Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities.

As per information and explanations given to us, and based on verification of documents and records, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on which they become payable.

- b. According to the information and explanation given to us, there are no dues under dispute in relation to Goods and service tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory liability, except income tax dues as mentioned below

| Name of the Statute | Nature of Dues | Amount | Period which the amount relates to | Forum where the dispute is pending |
|----------------------------|-----------------------|---------------|---|---|
| Income Tax Act, 1961 | Income Tax | 25,75,839 | Financial Year 2015-16 | commissioner of income tax (appeal) |

Note :-Of the above disputed amount, company has deposited amount of Rs 6,00,000 under protest.

viii. DISCLOSURE OF TRANSACTION NOT RECORDED IN BOOKS :-

In terms of Information and explanation sought by us, and given by the company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there has not been any search or seizure initiated by the income tax department during the year and there has not been any reassessment proceeding in relation to previous financial years, and management strongly believe that there is no previously unrecorded income for the said company, so reporting in relation to any unrecorded income in the books of accounts during the year is not applicable to the said company.

ix. DEFAULT IN REPAYMENT OF LOAN TAKEN :-

- a. In terms of Information and explanation sought by us, and given by the company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there has not been any default in repayment of

any loans or other borrowings for any principal amount due or any interest thereon.

- b. According to the information and explanation given to us, the company has not been declared as wilful defaulter by any bank, financial Institution and other lenders.
- c. According to the information and explanation given to us, the company has applied for the purpose for which the loans were obtained.
- d. According to the information and explanation given to us, the company has not applied short term raised fund for long term purpose.
- e. According to the information and explanation given to us, the company has not raised any fund to meet the obligation of its subsidiaries, associates or joint ventures.
- f. According to the information and explanation given to us, the company has not raised loan during the year on the pledge of securities held in its subsidiaries, joint venture or associate company.

X. FUND RAISED THROUGH INITIAL PUBLIC OFFER/PRIVATE PLACEMENT AND IT'S UTILISATION :-

- a. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer(IPO), further public offer (FPO) during the previous year and hence the reporting in relation to the fund raised have been utilised for the purpose for which it was raised is not to be reported.
- b. In terms of Information and explanation sought by us, and given by the company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state Company has issued 25,00,000 Equity Warrants on preferential basis, which was approved by members in the Extra ordinary General meeting held on March 4th, 2023.The company has received 25% of the consideration at time of allotment of warrants. The amount which has been received by the company, have been utilised for the purpose for which it was raised.as per table mentioned below

| Amount Raised | Amount Utilised |
|----------------------|------------------------|
| 16.06 crores | 13 crores |

xi. FRAUD REPORTING:-

- a. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by any person has been reported during the year.
- b. As there is no fraud in terms of section 143(12) of the act, so reporting in the form ADT-4 during the year by an auditor was not required to file.
- c. In terms of section-177(9) of the act, it is mandatory for the said company to establish vigil mechanism set in the company, however based upon the audit procedure performed and the information and explanations given by the management of the company we have not come across any whistle-blower complaints during the year.

xii. NIDHI COMPANY :-

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. RELATED PARTY TRANSACTIONS:-

Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements with Applicable Accounting Standards AS-18.

xiv. REPORTING ON INTERNAL AUDIT SYSTEM:-

In our opinion and based on our examination, the company have an internal audit system and as required by section 138 of the companies act, complied with. Internal audit Report is reviewed by statutory auditor and there is no material deficiency observed by the internal auditor.

xv. NON CASH TRANSACTION WITH DIRECTORS: -

According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors, except perquisites or persons

connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi. REGISTRATION WITH RBI:-

In our opinion, the said company is not in to the business of finance nor NBFC and not a Core Investment company (CIC) hence is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

xvii. CASH LOSSES:-

According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not incurred cash losses in the financial year 2022-23 and in the immediately preceding financial year 2021-22. Therefore, the provisions of clause 3 (xvii) of the Order are not applicable to the Company

xviii. RESIGNATION OF STATUTORY AUDITORS:-

There is no resignation of statutory auditor during the said previous year , hence reporting under the said clause is not applicable to the company.

xix. OPINION ON LIQUIDITY/REPORTING ON FINANCIAL POSITION :-

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, placement of convertible share warrants at premium as compared to book value, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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 up to the date of the audit report and we neither give any guarantee nor 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. CORPORATE SOCIAL RESPONSIBILITY:-

According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is not liable to spend amount as specified under section-135 of the act , in pursuance of its corporate social responsibility policy.

**For Tamanna Parmar & Associates
Chartered Accountants
Firm's Registration No. 01444C**

**CA Tamanna Parmar
Partner
Place : Mumbai
Date : 25/05/2023
Membership No.409291
UDIN :- 23409291BGYUPL8371**

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Krishival Foods Limited for the year ended March 31, 2023

Report on the Internal financial controls with reference to financial statements and the operating effectiveness of such controls under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report of even date

We have audited the internal financial controls with reference to financial statements of Krishival Foods Limited (“the Company”) as at March 31, 2023, 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 board of directors’ of the Company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the

Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management of 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 control system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial control with reference to financial statements 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 Tamanna Parmar & Associates
Chartered Accountants
Firm's Registration No. 01444C

CA Tamanna Parmar
Partner
Place : Mumbai
Date :25/05/2023
Membership No.409291
UDIN : 23409291BGYUPL8371

KRISHIVAL FOODS LIMITED



(Formerly Known as Emphyrean Cashews Limited)

Registered Office : 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai 400072

CIN No : L74120MH2014PLC254748

www.krishival.com, Email: cs@krishival.com

Standalone Balance sheet as at 31st March 2023

(Rs. in lakhs)

| Particulars | Note No. | As at 31-03-2023 | As at 31-3-2022 |
|--|----------|------------------|-----------------|
| | | Amount | Amount |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>Shareholders Funds :-</u> | | | |
| Share Capital | 1 | 1,979.51 | 1,979.51 |
| Reserves & Surplus | 2 | 2,900.67 | 2,242.74 |
| Money Received against share warrants | | 1,606.25 | - |
| <u>Non-Current Liabilities:-</u> | | | |
| Long-Term Borrowings | 3 | 637.78 | 785.58 |
| Deferred Tax Liability | 4 | 49.58 | 32.59 |
| <u>Current Liabilities :-</u> | | | |
| Short-Term Borrowings | 5 | 327.61 | 283.75 |
| Trade Payables | 6 | | |
| -Micro and Small Enterprises | | - | - |
| -Others | | 109.33 | 63.61 |
| Other Current Liabilities | 7 | 21.85 | 14.26 |
| Short-Term Provisions | 8 | 13.10 | 29.22 |
| Total | | 7,645.68 | 5,431.26 |
| <u>ASSETS</u> | | | |
| <u>Non-Current Assets</u> | | | |
| Property Plant & Equipments | 9 | | |
| Tangible Assets | | 1,391.19 | 1,332.46 |
| Intangible Assets | | | |
| Non-Current Investments | 10 | 59.40 | 62.60 |
| Long-Term Loans and Advances | 11 | 71.00 | 170.40 |
| Other non-current assets | 12 | 39.73 | 47.73 |
| <u>Current Assets</u> | | | |
| Inventories | 13 | 2,530.68 | 1,115.25 |
| Trade Receivables | 14 | 431.47 | 41.36 |
| Cash and Cash Equivalents | 15 | 321.46 | 1,976.94 |
| Short-Term Loans and Advances | 16 | 2,800.73 | 684.52 |
| Total | | 7,645.68 | 5,431.26 |
| Significant Accounting Policies | 1A | | |
| Notes forming part of the Financial Statements | 1 to 34 | | |

**As per our report of even date attached
For TAMANAA PARMAR & ASSOICATES
Chartered Accountants
ICAI F.R.No. 014444C**

**CA TAMANNA PARMAR
PARTNER
M.No.: 409291
Date:- 25/05/2023
Place:- MUMBAI**

For and on behalf of the Board of Directors

**APARNA MORALE BANGAR
Managing Director
DIN : 05332039**

**NANA PRAKASH MHASKE
Director & CEO
DIN : 01911731**

**ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356**

**RAHUL GAWANDE
Company Secretary**

KRISHIVAL FOODS LIMITED



(Formerly Known as Empyrean Cashews Limited)

Registered Office : 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai 400072

CIN No : L74120MH2014PLC254748

www.krishival.com, Email: cs@krishival.com

Standalone Statement of Profit and Loss for the year ended 31st March 2023

(Rs. in lakhs)

| Particulars | Note No. | Year ended 31-03-2023 | Year ended 31-03-2022 |
|--|----------|--------------------------|--------------------------|
| Revenue from Operations | | | |
| Revenue from Operations | 17 | 7,002.94 | 5,176.91 |
| Other Income | 18 | 118.82 | 51.63 |
| Total Revenue | | 7,121.76 | 5,228.54 |
| EXPENSES | | | |
| Consumption of raw material | 19 | 5,775.39 | 3,742.04 |
| Changes in inventories of stock-in-trade | 20 | 882.38 | 117.08 |
| Employee Benefits Expenses | 21 | 169.46 | 148.33 |
| Depreciation and amortisation expenses | 9 | 140.04 | 144.89 |
| Finance Cost | 22 | 100.27 | 158.50 |
| Other Expenses | 23 | 895.97 | 708.65 |
| Total | | 6,198.76 | 4,785.32 |
| Profit/(Loss) before Tax | | 923.00 | 443.22 |
| Tax Expense: | | | |
| Current tax | | 229.40 | 101.78 |
| Deferred tax | 24 | 16.99 | 1.72 |
| Total Tax Expense | | 246.40 | 103.50 |
| Profit/(Loss) after tax for the year | | 676.60 | 339.72 |
| Earnings per share (Face value of Rs. 10) | 27 | | |
| Basic in Rs. | | 3.42 | 1.72 |
| Diluted in Rs | | 3.41 | 1.72 |
| Significant Accounting Policies | 1A | | |
| Notes forming part of the Financial Statements | 1 to 34 | | |

**As per our report of even date attached
For TAMANAA PARMAR & ASSOICATES
Chartered Accountants
ICAI F.R.No. 014444C**

For and on behalf of the Board of Directors

**APARNA MORALE BANGAR
Managing Director
DIN : 05332039**

**NANA MHASKE
Director & CEO
DIN : 01911731**

**PARTNER
M.No.: 409291
Date:- 25/05/2023
Place:- MUMBAI**

- **ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356**

**RAHUL GAWANDE
Company Secretary**

KRISHIVAL FOODS LIMITED



(Formerly Known as Emphyrean Cashews Limited)

Registered Office : 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai 400072

CIN No : L74120MH2014PLC254748

www.krishival.com, Email: cs@krishival.com

Standalone Cash Flow Statement For The Year Ended On 31st March 2023

(Rs. in lakhs)

| Particulars | For the Year ended 31-03-2023 | For the year ended 31-03-2022 |
|--|----------------------------------|----------------------------------|
| (A) Cash flow from operating activities: | | |
| Net Profit before Tax | 923.00 | 443.22 |
| Adjustments for: | | |
| Depreciation | 140.04 | 144.89 |
| (Profit) / Loss on redemption of investments | (0.38) | - |
| Interest and other income on investments | (7.87) | (0.07) |
| Interest & Finance expenses | 100.27 | 158.50 |
| Rent Income | (6.05) | (4.58) |
| Foreign exchange gain | (5.79) | (18.07) |
| Provision for gratuity | 5.35 | - |
| Gratuity Paid | (4.72) | 1.45 |
| | - | - |
| Operating profit before working capital changes | 1,143.86 | 725.34 |
| Adjustments for changes in Working Capital | | |
| Increase / (Decrease) in trade payable | 45.72 | (156.53) |
| Increase / (Decrease) in short term borrowing | 43.86 | (111.33) |
| Increase / (Decrease) in provisions | - | 79.59 |
| Increase / (Decrease) in deferred tax liabilities | - | - |
| Increase / (Decrease) in other current liabilities | 7.59 | (15.63) |
| (Increase) / Decrease in short term loan and advances | (2,090.00) | 468.52 |
| (Increase) / Decrease in trade receivables | (384.32) | 23.08 |
| (Increase) / Decrease in inventories | (1,415.43) | (257.27) |
| (Increase) / Decrease in other current assets | - | (198.22) |
| | - | - |
| Cash generated from operations | (2,648.72) | 557.56 |
| Taxes paid | (285.87) | (89.97) |
| Net Cash from operating activities | (2,934.59) | 467.59 |
| (B) Cash flow from investment activities: | | |
| Purchase of tangible / intangible assets | (201.78) | (65.24) |
| Sale of tangible / intangible assets | 3.00 | - |
| Redemption of Investment | 1.95 | - |
| (Increase) / Decrease in long term loan and advances | 99.40 | (186.96) |
| (Increase) / Decrease in other non current assets | 12.73 | - |
| (Increase) / Decrease in non current investments | 1.63 | 0.03 |
| Dividend/ bank interest received | 7.87 | 0.07 |
| Rent Income | 6.05 | 4.58 |
| | - | - |
| Net cash from investment activities | (69.16) | (247.52) |
| (C) Cash flow from financing activities: | | |
| Interest & Finance Expenses | (100.27) | (158.50) |
| Funds borrowed / (Paid) | (147.80) | (153.74) |
| Dividend paid | (9.90) | - |
| Issue of Shares | - | 524.70 |
| Premium on Shares | - | 1,416.69 |
| Issue of Share Warrants | 1,606.25 | - |
| | - | - |
| Net cash from financing activities | 1,348.28 | 1,629.15 |
| Net increase/(decrease) in cash and cash equivalent (A + B + C) | (1,655.47) | 1,849.21 |
| Net increase/(decrease) in cash and cash equivalent | | |
| Cash and cash equivalents opening balance | 1,976.94 | 127.73 |
| Cash and cash equivalents closing balance | 321.46 | 1,976.94 |
| | - | - |
| Net decrease in cash and bank balance | (1,655.47) | 1,849.21 |

Notes to Cash Flow Statement for the year ended 31st March 2023

(1) **Cash and Cash Equivalents include the followings amounts**

| | <u>31-03-2023</u> | <u>31-03-2022</u> |
|-----------------------|-------------------|-------------------|
| Cash on Hand | 3.18 | 4.57 |
| Balance with Banks | | |
| - In Current Accounts | 318.28 | 1,972.37 |
| - In fixed Deposit | - | - |
| Other Bank Balances | - | - |
| | 321.46 | 1,976.94 |

(2) The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash

As per our report of even date attached

For and on behalf of the Board of Directors

For TAMANAA PARMAR & ASSOICATES

Chartered Accountants

ICAI F.R.No. 014444C

APARNA BANGAR
Managing Director
DIN : 05332039

NANA MHASKE
Director & CEO
DIN : 01911731

PARTNER

M.No.: 409291

Date:- 25/05/2023

Place:- MUMBAI

ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356

RAHUL GAWANDE
Company Secretary

Notes to Standalone Financial Statements for the year Ended 31st March 2023

Corporate Information

Krishival Foods Limited (Formerly Known as Emyrean Cashews limited) was incorporated on March 21, 2014 and Company's Equity Share are listed on SME Emerge platform of National Stock Exchange (NSE) with effect from 31st March 2022. It is primarily engaged in the business of processing nuts and other dry fruits. The Registered office of the company is located at 1309, Lodha Supremus, Saki Vihar Road, Opp MTNL office, Mumbai 400072.

Note No 1A : Significant Accounting Policies:

a. Basis of Accounting and Preparation of Financial Statements

The Company prepared its financial statements in accordance with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 (as amended). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. However there is some regrouping as compared to previous financial year for making comparable presentation of financial statements.

b. Use of Estimates

The preparation of the financial statements in conformity with the Accounting Standards requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

c. Inventories

Stock in trade, work in progress, finished goods, packing materials, stores and spares are valued at lower of cost or net realizable value, Cost of raw materials, packing materials, and stores and spares is determined on a First In-First out (FIFO) basis and includes all applicable costs.

Stock-in-trade and finished goods are valued at lower of cost or net realizable value. Cost includes direct materials and direct cost incurred to bring the stock in ready to dispatch stage as aforesaid.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs necessary to make the sale have increased.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the balance sheet date to the extent that such events confirm the conditions existing at the balance sheet date.

d. Cash and Cash Equivalents (for the purpose of cash flow statement)

Cash flows are reported using Indirect Method whereby the cash flows generated from Operating, Investing and Financing activities of the company are segregated. Cash comprises cash on hand, cash/cheque in hand and demand deposits with banks.

e. PPE (Property, Plant and Equipment's)

Property, Plant and Equipment are stated at cost less accumulated depreciation (other than free hold land if any) and accumulated impairment losses thereon if any.

Assets purchased/installed during the year costing less than Rs.5000/- each are fully depreciated in the year of purchase.

Depreciation is calculated on pro-rata basis on Written Down method over the standard useful lives of the asset which is in line with the useful lives

prescribed in Schedule II to the Companies Act, 2013. The useful lives of each property, plant and equipment is stated below.

The carrying amount of an item of Property, plant and Equipment is derecognised on disposal. Any gain or loss arising on disposal of Property, plant and Equipment is recognised in the statement of profit & loss. Depreciation is provided as below :-

Assets Useful Life (in years)

| | |
|---------------------|----|
| Buildings | 60 |
| Factory Buildings | 30 |
| Furniture & Fixture | 10 |
| Plant & Equipment | 15 |
| Computer | 3 |
| Vehicles | 8 |

f. Intangible assets :

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses thereon. The cost comprises its purchase price, borrowing cost if its criteria are met and other directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

During the year company has not acquired any intangible assets, and also as on 31/03/2023 there is no block of assets of Intangible assets

g. Revenue Recognition :

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales do not include goods and services tax (GST). Revenue is recognised when it is earned and no significant uncertainty exists as to its ultimate realisation or collection.

Revenue & Expenses from Trading & Marketing activities is recognised on accrual basis, Rate difference (Purchases/Sales) is accounted only on the receipt of necessary Credit Notes from Suppliers and/or Debit Notes from Customers or when the accounts are settled.

h. Other Income :

Interest income and Rent income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

i. Foreign Currency transaction and translations :

Transactions in foreign currencies covering current assets and current liabilities are accounted for at the exchange rates prevailing on the dates the transactions take place. Gains and losses arising out of subsequent fluctuation in exchange rates are adjusted in statement of Profit & Loss Account under appropriate heads of account. Transactions which remain unsettled at the yearend are translated at year end exchange rate.

j. Investments :

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Investment in the said partnership firm is recognised after considering the share of loss.i.e. Current capital balance as on the year end date. Cost of investments includes acquisition charges such as brokerage, fees and duties.

k. Borrowing Costs

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

relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

During the said financial year there is no borrowing cost incurred for purchase of capital asset and also there is no borrowing cost is capitalised in relation to any qualifying assets.

1. **Employee Benefits**

a. **Provident Fund** :

Retirement benefit in the form of Provident fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

b. **Gratuity**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The company has created an approved Gratuity fund, which has taken a group gratuity cum insurance policy with an insurance company to cover the gratuity liability of the employees. At the end of accounting year, difference between obligation as per actuarial valuation and the fair value of plan assets is further provided.

m. **Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Provision for Taxes has been calculated on the basis of Section 115BAA of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are

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

n. Earnings Per Share

Basic earnings per share is computed by dividing the Net Profit / (Loss) attributable to Equity Shareholders (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the Net Profit / (Loss) attributable to Equity Shareholders (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the earnings per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

The Company has issued 25,00,000 Equity Share warrants on preferential basis, which was approved by the members in the Extra Ordinary General Meeting held on March 4,2023. The Company has received 25% of the consideration at time of allotment.

o. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their

present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Presently management has not provided for provision for doubtful debts as it is virtually certain that all debtors will be realised in the due course of the business.

p. Bad Debts / Provision for Bad Debts:

The company considers a financial asset in default when contractual payments are highly overdue from terms. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

If in any previous year, the debt has been written off as bad and the relevant deduction has also been claimed but later on the same debt is recovered in full or part, then the amount so recovered will be included as income of the financial year in which such amount has recovered.

During the year the company has not accounted for any such Bad debts or any kind provision for Bad debts, except very small negligible amount written off as discount allowed.

q. Segment Information

The Company has only one major business segment i.e. processing of nuts and other dry fruits.

Other Statutory Information: -

- i) The company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall :
 - a) 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
 - b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- iv) The company has not received any fund from any person(s) or entity(ies), Including foreign entities with the understanding (whether recorded In writing or otherwise) that the company shall:
 - a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of company (ultimate beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- v) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961(such as search or survey or any other relevant provision of the Income Tax Act, 1961.
- vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.
- vii) The Companies not declared wilful defaulter by any bank or financial institution or lender during the year.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) Periodical returns or statements of current assets filed by the Company with banks or financial Institutions are In agreement with the books of accounts.
- x) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained
- xi) The title deeds of all the Immovable properties, (other than immovable properties where the Companies the lessee and the lease agreements are duly executed In favour of the Company) are disclosed In the financial statements included In property, plant and equipment and capital work-in-progress are held In the name of the Company as at the balance sheet date.

- xii) The Company does not have any transactions with companies which are struck off.
- xiii) Company is not covered by Section 135 of the Companies Act, 2013, dealing with the 'Corporate Social Responsibility

Notes Forming Part of The Financial Statements as at 31st March 2023

NOTE 1: SHARE CAPITAL

| Particulars | Rs in Lakhs | |
|---|----------------------|----------------------|
| | As at Mar 31,2023 | As at Mar 31,2022 |
| Authorized 24000000 (PY 20000000) Equity shares of Rs.10 each at par | 2,400.00 | 2,000.00 |
| | 2,400.00 | 2,000.00 |
| Issued, Subscribed and Fully Paid Up 19795141 (PY 19795141) Equity shares of Rs.10 each fully paid up | 1,979.51 | 1,979.51 |
| TOTAL | 1,979.51 | 1,979.51 |

Note1.1: Reconciliation of No. of shares Outstanding at the beginning & at the end of the reporting period

| Particulars | As at Mar 31,2023 | As at Mar 31,2022 |
|-----------------------------|----------------------|----------------------|
| Opening No. of Shares | 1,97,95,141 | 1,45,48,141 |
| Issued During the year: IPO | - | 52,47,000 |
| Closing no. of Shares | 1,97,95,141 | 1,97,95,141 |

Note 1.2: The details of shareholders holding more than 5% shares

| Name of the shareholders | No. of Shares held | % held as at Mar 31,2023 | No. of Shares held | % held as at Mar 31,2022 |
|--------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
| Aparna Morale Bangar | 76,80,641 | 38.80% | 76,80,641 | 38.80% |
| Sayad Jaffer Islam | 51,00,000 | 25.76% | 51,00,000 | 25.76% |
| TOTAL | 1,27,80,641 | 64.56% | 1,27,80,641 | 64.56% |

Terms/Rights to Equity Shares

The company has one class of Equity Shares having par value of Rs. 10 per share. The company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. Each shareholder is entitled to one vote per share. In the event of liquidation of the company, the holders of the 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 number of equity shares held by the shareholders.

Note 1.3: The details of Promoter wise holding

| Shares held by promoters at the end of the year 31st March 2023 | | | | % Change during the year |
|---|--------------------------|---------------------|----------------------|--------------------------------|
| Sr. No. | Promoter Name | No. of Shares | % of total shares | |
| 1 | APARNA MORALE BANGAR | 76,80,641.00 | 38.80 | - |
| 2 | NANA PRAKASH MHASKE | 3,05,000.00 | 1.54 | - |
| 3 | ANANT PANDURANG KULKARNI | 3,05,000.00 | 1.54 | - |
| | Total | 82,90,641.00 | | |

| Shares held by promoters at the end of the year 31st March 2022 | | | | % Change during the year |
|---|--------------------------|---------------------|----------------------|--------------------------------|
| Sr. No. | Promoter Name | No. of Shares | % of total shares | |
| 1 | APARNA MORALE BANGAR | 76,80,641.00 | 38.80 | 13.99 |
| 2 | NANA PRAKASH MHASKE | 3,05,000.00 | 1.54 | 0.56 |
| 3 | ANANT PANDURANG KULKARNI | 3,05,000.00 | 1.54 | 0.56 |
| | Total | 82,90,641.00 | | |

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| | Amount | Amount |
| NOTE 2: RESERVES & SURPLUS | | |
| a) Security Premium | | |
| Balance as at the beginning of the year | 1,416.69 | - |
| Add: Premium on Shares issued under IPO | - | 1,416.69 |
| | - | - |
| Balance as at the end of the year | 1,416.69 | 1,416.69 |
| b) Surplus: Profit and Loss Account | | |
| As per Balance Sheet | 826.05 | 489.15 |
| Add: Profit/(Loss) for the year | 676.60 | 339.72 |
| <u>(Less) Appropriation of Fund</u> | | |
| Less: Proposed Dividend | - | (9.90) |
| (Short)/Excess Provision for tax | (18.68) | 7.08 |
| Total | 1,483.98 | 826.05 |
| Total (a + b) | 2,900.67 | 2,242.74 |
| NOTE 3: LONG-TERM BORROWINGS | | |
| Secured | | |
| Term loan (refer note 3.1) | 921.14 | 1,022.72 |
| Unsecured | | |
| Term loan (refer note 3.1) | 44.25 | 46.61 |
| Less: current maturities transferred to other current liabilities | (327.61) | (283.75) |
| Total | 637.78 | 785.58 |
| Note 3.1: | | |
| AXIS Auto Loan - Secured | 21.94 | 31.93 |
| - Secured against hypothecation of specific vehicle. | | |
| - Repayable in 63 EMIs of Rs. 1,03,913/- starting from 10/11/2019 and ending on 10/01/2025 | | |
| - Rate of interest is 9.05% | | |
| FNB housing Loan - Secured | 541.93 | 550.36 |
| - Secured against mortgage of property and guarantees given by management and group companies | | |
| - Repayable in 240 EMIs of Rs. 5,66,109/- starting from 10/03/2017 and ending on 10/04/2047 | | |
| - Rate of interest is 11.17% | | |
| Axis Bank Loan under ELLGS Scheme - Secured | 99.00 | 99.00 |
| - Secured against Second Charge on existing securities. | | |
| - Repayable in 36 EMIs of Rs. 2,75,000/- starting from 01/12/2023 and ending on 01/11/2026 | | |
| - Rate of interest is 8.85% | | |
| Axis Bank OD - Secured | 258.27 | 279.94 |
| - Secured against Current Assets and collateral security of 1309 Lodha Supremus, Powai and guarantees given by Directors and Management | | |
| - Repayable on demand. | | |
| - Rate of interest is 9% | | |
| Moneywise Financial Services Private Limited - Unsecured | 21.12 | 37.47 |
| - Guarantees given by Directors and KMP- Repayable in 36 EMIs of Rs.1,79,034 starting from 05/05/2021 and ending on 05/04/2024 | | |
| - Rate of interest is 17% | | |
| ICICI Bank Loan - Unsecured | 23.13 | 43.06 |
| - Repayable in 36 EMIs of Rs. 2,08,763/- starting from 05/04/2021 and ending on 05/03/2024 | | |
| - Rate of interest is 15 % | | |
| HeroIncorp Limited - Unsecured | - | 9.13 |
| - Guarantee given by Directors and Relatives. | | |
| - Repayable on demand. | | |
| - Rate of interest is 17% | | |
| IDFC First Bank - Unsecured | - | 14.63 |
| - Guarantees given by Directors, relatives and group companies | | |
| - Repayable on demand. | | |
| - Rate of interest is 15% | | |

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|--|------------------|------------------|
| | Amount | Amount |
| NOTE 4: DEFERRED TAX LIABILITY (Net) | | |
| Opening Balance | 32.59 | 30.87 |
| (Deferred tax asset)/Liability on account of depreciation-recognised for the year | 16.99 | 1.72 |
| Total | 49.58 | 32.59 |
| NOTE 5: SHORT TERM BORROWINGS | | |
| Current maturities of Long Term Borrowings from Banks and overdraft (Refer Note 3.1) | 308.25 | 279.94 |
| From Others | 19.36 | 3.81 |
| Total | 327.61 | 283.75 |
| NOTE 6: TRADE PAYABLES | | |
| a) Outstanding towards micro and small enterprise* | - | - |
| b) Others | | |
| - for goods | 92.20 | 62.76 |
| - for expenses | 15.94 | - |
| c) Disputed MSME | - | - |
| d) Disputed others | - | - |
| e) Advance received | 1.19 | 0.85 |
| Total | 109.33 | 63.61 |
| *refer note no 31 | | |
| NOTE 6.1: AGEING OF TRADE PAYABLE | | |
| Not Due | 1.19 | 0.85 |
| Less than 1 Year | 108.14 | 62.76 |
| 1 Year to 2 Year | - | - |
| 2 Year to 3 Year | - | - |
| More than 3 Year | - | - |
| Unbilled dues | - | - |
| | 109.33 | 63.61 |
| NOTE 7: OTHER CURRENT LIABILITIES | | |
| Other Payables* | 21.85 | 14.26 |
| Total | 21.85 | 14.26 |
| *include mainly towards statutory liabilities | | |
| NOTE 8: SHORT-TERM PROVISION | | |
| Provision for employee benefits (Refer note no 21.1) | 13.10 | 7.74 |
| Income Tax provision (net) | - | 11.58 |
| Provision for Dividend | - | 9.90 |
| Total | 13.10 | 29.22 |
| NOTE 10: NON CURRENT INVESTMENTS | | |
| <u>A. Quoted investment</u> | | |
| NIL (PY 35.571) units of Nippon India Liquid Fund (Market Value is Rs NIL (PY Rs 1,85,254) | - | 1.57 |
| <u>B. Unquoted Investment</u> | | |
| i. Investment in Subsidiary Companies | | |
| 10,000 (PY 10,000) Equity Shares of Siddhivinayak Cashews Industries Private Limited, having Face Value of Rs 10 per share | 1.00 | 1.00 |
| ii. Investment in partnership firm | | |
| a. SA Trading | | |
| Capital Account | 0.10 | 0.10 |
| Current account | 58.30 | 59.93 |
| Total | 59.40 | 62.60 |
| Disclosure regarding Partnership Firm | | |
| Name of the Partners | Sharing Ratio | Capital Amount |
| a. Krishival Foods Limited (Formerly Emphyrean Cashews Limited) | 10% | 0.10 |
| b. Sujit Bangar | 20% | 0.20 |
| c. Vijay Mankoskar | 70% | 0.70 |
| NOTE 11: LONG-TERM LOANS AND ADVANCES | | |

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|--|------------------|------------------|
| | Amount | Amount |
| Intercorporate Loans and advances (* refer note no-27- Related party transaction) | 71.00 | 170.40 |
| Total | 71.00 | 170.40 |
| NOTE 12: OTHER NON-CURRENT ASSETS | | |
| Deposits | 33.01 | 45.73 |
| Gratuity Fund | 6.72 | 2.00 |
| Total | 39.73 | 47.73 |
| NOTE 13: INVENTORIES | | |
| (As certified by management) | | |
| Finished Goods | 1,061.78 | 192.30 |
| Work in Process | - | - |
| Raw Material | 1,456.01 | 922.96 |
| Packing Material | 12.89 | - |
| Total | 2,530.68 | 1,115.25 |
| NOTE 14: TRADE RECEIVABLES | | |
| (Unsecured, Considered Good) | | |
| a) Undisputed trade receivable consider good | 431.47 | 41.36 |
| b) Undisputed trade receivable - considered doubtful | - | - |
| c) Disputed trade receivable consider good | - | - |
| d) Disputed trade receivable - considered doubtful | - | - |
| Total | 431.47 | 41.36 |
| (Refer note no 27 for receivable from related party) | | |
| NOTE 14.1: AGEING OF TRADE RECEIVABLES | | |
| Unbilled dues | - | - |
| Not Due | - | - |
| Less than 6 Months | 431.47 | 41.23 |
| 6 Months to 1 Year | - | 0.13 |
| 1 Year to 2 Year | - | - |
| 2 Year to 3 Year | - | - |
| More than 3 Year | - | - |
| Total | 431.47 | 41.36 |
| NOTE 15: CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | 3.18 | 4.57 |
| Balance with Banks | | |
| -In Current Accounts | 318.28 | 1,972.37 |
| -In Fixed Deposit | - | - |
| Other Bank Balances | - | - |
| Total | 321.46 | 1,976.94 |
| NOTE 16: SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, Considered Good) | | |
| Advance given to vendors | 2,532.04 | 488.35 |
| Share application money receivable | - | 72.15 |
| Advance recoverable in cash or kind* | 268.70 | 124.02 |
| Total | 2,800.73 | 684.52 |
| *Includes mainly Balances with Statutory Authority and prepaid expenses | | |
| NOTE 17: REVENUE FROM OPERATIONS | | |
| Sale of Products | 7,002.94 | 5,176.91 |
| Total | 7,002.94 | 5,176.91 |
| Note 17.1: Details of Sale of Products | | |
| nuts and Dryfruits | 7,002.94 | 5,176.91 |
| Total | 7,002.94 | 5,176.91 |
| Note 18: OTHER INCOME | | |
| Rent Income | 6.05 | 4.58 |
| Foreign Exchange Gain | 5.79 | 18.07 |
| Interest Income | 7.87 | 7.79 |
| Other Income | 99.10 | 21.19 |
| Total | 118.82 | 51.63 |
| NOTE 19: COST OF MATERIAL CONSUMED | | |
| Opening stock of Raw Material | 922.96 | 782.77 |

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| | Amount | Amount |
| Purchase of raw material | 6,308.44 | 3,882.23 |
| Less: Closing stock of Raw Material | -1,456.01 | -922.96 |
| Total | 5,775.39 | 3,742.04 |
| NOTE 20: CHANGES IN INVENTORIES OF STOCK IN TRADE | | |
| Opening stock | 192.30 | 75.21 |
| Closing stock | 1,074.67 | 192.30 |
| Net (increase) / decrease | (882.38) | (117.08) |
| NOTE 21: EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and wages * | 145.07 | 133.47 |
| Incentive to employees | 7.08 | 6.00 |
| Contributions to provident and other funds | 7.75 | 4.44 |
| Staff welfare expenses | 9.56 | 4.41 |
| Total | 169.46 | 148.33 |
| * Includes Director Remuneration | | |
| Note 21.1 | | |
| As required under the Accounting Standard AS – 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India, the disclosure as defined in the Accounting Standard are given below : | | |
| Contribution to defined contribution plan, recognised as expenses for the year is as under ; | | |
| Employers contribution to Provident Fund Rs. 2.3 Lakhs (Previous Year Rs. 2.86 Lakhs) | | |
| Employers contribution to Gratuity Fund Rs. 5.35 Lakhs (Previous Year Rs. 1.44 Lakhs) | | |
| Defined Benefit Plan : | | |
| Particulars | | |
| Assumptions: | | |
| Discount Rate | 7.50% | 7.25% |
| Rate of increase in compensation | 5.00% | 5.00% |
| 1. Table Showing changes in present value of obligation | | |
| Present value of Obligation at the beginning of the year | 7.74 | 6.29 |
| Interest Cost | 0.56 | 0.46 |
| Current Service Cost | 1.43 | 1.40 |
| Benefits Paid | (4.72) | - |
| Actuarial (gain) / Loss on obligation | 3.37 | (0.41) |
| Present value of obligation at the end of the year | 8.38 | 7.74 |
| 2. Changes in fair value of plan assets | | |
| Fair Value of Plan Assets at beginning of period | - | - |
| Contributions | - | - |
| Actuarial Gain/(Loss) on plan assets | - | - |
| Fair Value of Plan Assets at end of period | - | - |
| 3. Actuarial Gain/Loss recognized | | |
| Actuarial Gain / (Loss) on obligation | 3.37 | (0.41) |
| Actuarial Gain / (Loss) for the year - Plan assets | - | - |
| Total gain / (Loss) for the year | 3.37 | (0.41) |
| Actuarial (gain) / Loss recognised in the year | 3.37 | (0.41) |
| 4. The amounts to be recognized in the balance sheet | | |
| Present value of obligation at the end of the year | 8.38 | 7.74 |
| Fair value of the plan assets at the end of Year | - | - |
| Funded Status | (8.38) | (7.74) |
| Net Assets / (Liability) recognised in Balance Sheet | (8.38) | (7.74) |
| 5. Expenses Recognised in statement of Profit and Loss | | |
| Current Service Cost | 0.56 | 0.46 |
| Interest Cost | 1.43 | 1.40 |
| Net actuarial (gain) / Loss recognised for the year | 3.36 | 0.41 |
| Expenses recognised in Statement of Profit & Loss | 5.35 | 1.45 |
| NOTE 22: FINANCE COSTS | | |
| Interest on loans | 93.25 | 154.22 |
| Bank Charges | 7.02 | 4.28 |
| Total | 100.27 | 158.50 |
| NOTE 23: OTHER EXPENSES | | |
| a) Operating expenses | | |
| Custom Duty | 2.71 | - |
| Clearing & Forwarding - Inward | 74.92 | 128.07 |
| Fire Wood Exp | 11.55 | 5.59 |
| Freight Inwards | 7.91 | 43.84 |

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| | Amount | Amount |
| Inspection charges | 8.92 | 9.20 |
| Loading & Unloading expense | 11.15 | 4.31 |
| Factory Electricity Expenses | 53.88 | 33.24 |
| Factory License Charges | 1.03 | - |
| Labour & Cutting Charges | 240.46 | 175.62 |
| Repair & Maintenance at Factory | 20.27 | 4.37 |
| b) Administrative Expenses | | |
| Payment to Auditors (Refer note 23.1) | 5.61 | 0.50 |
| Commission Expenses | 5.35 | 9.75 |
| Insurance Charges | 1.69 | 3.03 |
| Loss on sale of Assets | 1.40 | - |
| Loss on sale of Investment | 1.63 | 1.03 |
| Other Expense | 45.22 | 37.43 |
| Petrol & Diesel Expense | 3.61 | 1.51 |
| Professional Fees | 95.70 | 93.46 |
| Rent Expenses | 31.71 | 16.30 |
| Repair & Maintenance - vehicles and other assets | 6.30 | 8.10 |
| Security Charges | 2.44 | 1.17 |
| Software Charges | 1.62 | 0.33 |
| Spare Parts | 9.65 | 6.31 |
| Transportation expenses | 110.09 | 44.03 |
| Travelling & Conveyance | 29.24 | 18.87 |
| c) Selling Expenditure | | |
| Advertisement Expense | 4.87 | 2.44 |
| Business promotion expense | 1.51 | 0.10 |
| Packing Expenses | 105.57 | 60.05 |
| Total | 895.97 | 708.65 |
| Note 23.1: PAYMENT TO AUDITORS (Excluding Indirect Taxes) | | |
| Statutory Audit Fees | 3.50 | 0.35 |
| Tax Audit | 1.00 | 0.15 |
| Consultancy Fee | 1.11 | - |
| Total | 5.61 | 0.50 |
| Note 24: DEFERRED TAX ASSETS / (LIABILITIES) | | |
| on account of Property Plant and Equipments | 15.50 | 5.80 |
| on account of disallowances under Income Tax Act, 1961 | 1.49 | 2.00 |
| Total | 16.99 | 7.80 |
| NOTE 25: EXCHANGE FLUCTUATIONS | | |
| Exchange fluctuations recognised in under Other Income, in Profit & Loss/c is Rs. 5.79 Lakhs/- net Credit (PY Rs. 18.07 Lakhs/- net Credit) . | | |
| NOTE 26: EARNING PER SHARE | | |
| Basic EPS | | |
| Net profit/ (loss) after tax as per Profit and Loss Statement attributable to equity shareholders | 676.60 | 339.72 |
| Weighted average number of Equity shares | 1,97,95,141 | 1,97,95,141 |
| Basic Earnings per Share | 3.42 | 1.72 |
| Diluted Earning Per Share | | |
| Net profit/ (loss) after tax as per Profit and Loss Statement attributable to equity shareholders | 676.60 | 339.72 |
| Weighted average number of Equity shares | 1,98,56,811 | 1,97,95,141 |
| Diluted Earnings per Share | 3.41 | 1.72 |

NOTE 27: RELATED PARTY TRANSACTION (As certified by management)
As per Accounting Standard 18, the disclosures of transactions with the related parties are as under:

A. Key Managerial Personnel:

| Name | Relation |
|---------------------------|-------------------------|
| Nana Prakash Mhaske | Director |
| Aparna Morale Bangar | Managing Director |
| Anant Pandurang Kulkarni | Chief Financial Officer |
| Rahul Gawande | Company Secretary |
| Shailesh Jain | Independent Director |
| Sunilkumar Agarwal | Independent Director |
| Neeraj Kulbhushan Taandon | Independent Director |

B. Companies/Entities wherein Key Managerial Personnel have significant influence:

| Name | Relation |
|--|----------------------------|
| S A Trading | Director spouse is partner |
| Siddhivinayak Cashews Industries Private Limited | Subsidiary company |
| SSBA Innovations Limited | Common Director company |
| SSB Capital Advisors | Director spouse proprietor |
| Empyrean Enviro | Director is partner |
| Modi Co | Common Director Proprietor |

The following transactions were carried out with the related parties in the ordinary course of business (except reimbursement of actual expenses)

| Particulars | Nature of Transaction | 2022-23 | 2021-22 |
|---|--------------------------------------|-------------------------|-------------------------|
| A. Key Managerial Person | | | |
| Nana Prakash Mhaske | Directors Remuneration | 14.20 | 13.80 |
| Anant Pandurang Kulkarni | Directors Remuneration | 12.50 | 12.00 |
| Aparna Morale Bangar | Directors Remuneration | 41.00 | 30.00 |
| B. Entities wherein Key Managerial Personnel have significant influence: | | | |
| Empyrean Enviro | Purchase of goods and Labour Charges | - | 219.89 |
| Modi Co | Purchase of goods and Labour Charges | - | 438.39 |
| SSBA Innovations Limited | Rent Income (Including GST) | 2.97 | 2.29 |
| | Sales | 0.51 | - |
| SSB Capital Advisors | Rent Income (Including GST) | 2.97 | 2.29 |
| Siddhivinayak Cashews Industries Private Limited | Loans Given | 57.55 | 831.95 |
| | Loan Repaid | 156.95 | 661.55 |
| | Rent Income (Including GST) | 1.20 | - |
| S A Trading | Share of Loss | 1.62 | - |
| Balance outstanding | | As at 31/03/2023 | As at 31/03/2022 |
| Nana Prakash Mhaske | Director Remuneration Payable | 0.84 | 0.43 |
| Aparna Morale Bangar | Director Remuneration Payable | 6.42 | 2.46 |
| Amol Morale | Director Remuneration Payable | - | 1.34 |
| Anant Pandurang Kulkarni | Director Remuneration Payable | 1.09 | 0.04 |
| Siddhivinayak Cashews Industries Private Limited | Loan Outstanding | 71.00 | 170.40 |
| | Investment in equity share | 1.00 | 1.00 |
| SSBA Innovations Private Limited | Receivable | 0.02 | - |
| SSB Capital Advisors | Receivable | 0.06 | - |

| NOTE 28: | 2022-23 | 2021-22 |
|---|-----------------|-----------------|
| a) EARNING IN FOREIGN CURRENCY | - | - |
| | - | - |
| b) EXPENDITURE IN FOREIGN CURRENCY | | |
| Import Purchase | 3,435.45 | 2,116.10 |
| | 3,435.45 | 2,116.10 |

| Note 29: Foreign Currency Exposures and Derivative Instruments | 2022-23 | 2021-22 |
|---|----------------|----------------|
| Advance given in Foreign Currency - Rs. In lakhs* | - | - |

| | | |
|---|---|---|
| Less: Nominal amount of Forward Exchange contracts entered into by the Company and outstanding as on 31st March for hedging foreign currency exposure amount to | - | - |
| ii) Unhedged foreign currency exposure | - | - |
| Advance given (Rs. in lakhs) | - | - |

NOTE 30: DUES TO MICRO AND SMALL ENTERPRISES

To comply with the requirement of The Micro, Small and Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communication received from such suppliers confirming their coverage as such enterprise, the company has recognized them for the necessary disclosure as provided under the Act, from the date of receipt of such confirmations and are disclosed in note below. The Company does not have any overdue trade payable considering contracts with the parties and hence there is no interest payable. Hence details of payments to MSME are not applicable.

Note 31:

In the opinion of the Board, all the Current Assets and Loans and Advances are approximately of the value stated if they are realised in the ordinary course of business and the adequate provisions are made for all known liabilities including depreciation.

Note 32:

Previous period figures have been regrouped / re-arranged wherever necessary.

Note 33: explanation for change in ratio by more than 25%

33.1 :- There is increase in closing current assets mainly inventory and short term advances for business purpose

33.2 :- There is decrease in long term loan during the year; as well there is an issue of share warrants during the year so equity fund increased compare to last year

33.3 :- There is an increase in debt service coverage ratio , due to better profitability

33.4 :- There is increase in inventory turnover as compare to last year due to better inventory management and increase in sales during the year

33.5 :- There is increase in trade receivable turnover ratio during the year due to opening of vashi branch in last quarter of the year

33.6 :- There is decrease in trade payable ratio during the year due to better management and mainly all import purchase is on advance payment basis

33.7 :- There is decrease in working capital turnover ratio due to expansion of business ; there is high working capital as compare to preceding year

33.8 :- There is increase in topline of the co as well there is improvement in profitability hence net profit ratio has increased

Note 34

| Contingent Liabilities and Commitments: | 2022-23 | 2021-22 |
|--|----------------|----------------|
| Contingent Liability | | |
| - Disputed Liabilities under Income Tax Act, 1961 | - | - |
| - Bank Guarantees issued by Bankers in favour of third parties | - | - |
| Capital Commitment | | |
| Estimated amount of contracts remaining to be executed on capital account net of advances paid | - | - |

For TAMANAA PARMAR & ASSOICATES
Chartered Accountants
ICAI F.R.No. 014444C

For and on behalf of the Board of Directors

PARTNER
M.No.: 409291
Date:- 25/05/2023
Place:- MUMBAI

APARNA MORALE BANGAR
Managing Director
DIN : 05332039

NANA PRAKASH MHASKE
Director & CEO
DIN : 01911731

ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356

RAHUL GAWANDE
Company Secretary

Note 9 : Property Plant & Equipments

(Rs. in lakhs)

| Particulars | Gross Block | | | | Depreciation | | | | Net block | |
|--------------------------|-----------------------------|---------------|-------------|-----------------------------|-----------------------------|---------------|-----------|-----------------------------|---------------------|---------------------|
| | Opening as on 01-04-2022 | Additions | Deduction | Closing as on 31-03-2023 | Opening as on 01-04-2022 | Additions | Deduction | Closing as on 31-03-2023 | As on 31-03-2023 | As on 31-03-2022 |
| Tangible | | | | | | | | | | |
| Factory Building | 174.84 | 18.30 | - | 193.14 | 47.99 | 12.28 | | 60.27 | 132.87 | 126.85 |
| Other Building | 1,067.69 | 60.48 | | 1,128.16 | 257.37 | 40.87 | | 298.24 | 829.93 | 810.32 |
| Furniture & Fixtures | 156.85 | 5.63 | - | 162.48 | 113.81 | 11.57 | - | 125.37 | 37.10 | 43.04 |
| Plant & Machinery | 632.84 | 117.37 | 3.00 | 747.22 | 320.49 | 62.61 | - | 383.09 | 364.12 | 312.36 |
| Vehicles | 153.27 | | | 153.27 | 114.21 | 12.20 | | 126.41 | 26.86 | 39.06 |
| Computers | 14.05 | | | 14.05 | 13.22 | 0.52 | | 13.75 | 0.30 | 0.83 |
| | | | - | - | | | - | - | - | - |
| Sub-Total | 2,199.54 | 201.78 | 3.00 | 2,398.32 | 867.08 | 140.04 | - | 1,007.13 | 1,391.19 | 1,332.46 |
| | | | | | | | | | | |
| Intangible Assets | | | | | | | | | | |
| Softwares | | | - | - | | | - | - | - | - |
| Sub-Total | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| Total | 2,199.54 | 201.78 | 3.00 | 2,398.32 | 867.08 | 140.04 | - | 1,007.13 | 1,391.19 | 1,332.46 |
| | | | | | | | | | | |
| Previous year | 2,134.30 | 65.24 | - | 2,199.54 | 722.20 | 144.89 | - | 867.09 | 1,332.46 | - |

NOTE: 33

| ANALYTICAL RATIO | PARTICULARS (Numerator / Denominator) | AMOUNT (Rs in lakhs) | | RATIO | | Variance | Refer Notes |
|---|---|-----------------------|---------------|--------------|---------------|----------|-------------|
| | | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | | |
| CURRENT RATIO | Current asset | 6,084.35 | 3,818.07 | 12.89 | 9.77 | 31.99% | 33.1 |
| | Current liability | 471.88 | 390.84 | | | | |
| DEBT EQUITY RATIO | Total debt (Long term borrowings+Short term borrowings) | 965.39 | 1,069.33 | 0.15 | 0.25 | -41.23% | 33.2 |
| | Shareholders equity | 6,486.43 | 4,222.25 | | | | |
| DEBT SERVICE COVERAGE RATIO | Earnings available for debt services | 1,159.32 | 743.36 | 5.88 | 1.77 | 231.61% | 33.3 |
| | Debt services | 197.19 | 419.29 | | | | |
| RETURN ON EQUITY | Net profit | 676.60 | 339.72 | 13% | 11% | 14.68% | |
| | Average Shareholders equity | 5,354.34 | 3,083.11 | | | | |
| INVENTORY TURNOVER RATIO | Sales | 7,002.94 | 5,176.91 | 3.84 | 5.25 | -26.79% | 33.4 |
| | Average inventory | 1,822.97 | 986.62 | | | | |
| TRADE RECEIVABLES TURNOVER RATIO | Net credit sales | 7,002.94 | 5,176.91 | 0.03 | 0.01 | 230.37% | 33.5 |
| | Average accounts receivables | 236.42 | 52.90 | | | | |
| TRADE PAYABLES TURNOVER RATIO | Net credit purchases | 6,308.44 | 3,882.23 | 0.01 | 0.04 | -62.49% | 33.6 |
| | Average trade payables | 86.47 | 141.87 | | | | |
| WORKING CAPITAL TURNOVER RATIO | Net sales | 7,002.94 | 5,176.91 | 1.55 | 2.14 | -27.61% | 33.7 |
| | Average working capital | 4,519.85 | 2,418.73 | | | | |
| NET PROFIT RATIO | Net profit after tax | 676.60 | 339.72 | 10% | 7% | 47.23% | 33.8 |
| | Net sales | 7,002.94 | 5,176.91 | | | | |
| RETURN ON CAPITAL EMPLOYED | Earnings before interest & taxes | 1,159.32 | 743.36 | 18% | 17% | 4.88% | |
| | Average Capital employed | 6,371.70 | 4,284.97 | | | | |
| RETURN ON INVESTMENT | Income generated from investments | 0 | 0 | NA | NA | | |
| | Time weighted average Investments | 61.00 | 62.61 | | | | |



INDEPENDENT AUDITOR'S REPORT

To the Members of **KRISHIVAL FOODS LIMITED (formerly known as
Empyrean cashews Limited)**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of KRISHIVAL FOODS LIMITED (“the Company”), which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2023, its consolidated profit and consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, during the year we could not see any key audit matters that requires significant reporting.

Other Information

The holding Company's Board of Directors are responsible for the Holding company's annual information. The other information comprises the information included in the Director report, but does not include the conso financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management for Consolidated Financial statements:-

The holding Company's management and the Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards prescribed 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
 - g. According to information and explanations given to us and based on our examination of the records of the company, the company has paid managerial remuneration in accordance with the provision 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, 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 material 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.

- i. a) The management has represented that to the best of his 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 his knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the 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 the 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 misstatement.

- j. The final dividend proposed in the previous year, declared and paid during the current year is in accordance with section-123 of Companies Act 2013.

- k. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the companies (Auditor's report) order 2020,(the "order"/"CARO") issued by the central government in terms of section 143(11) of the act, to be included in the auditor's report, according to the information and explanation given to us, and based on the CARO reports issued by us for the company and its subsidiary included in the consolidated financial statements of the company, to which reporting under CARO is applicable, we report that there are no qualification or adverse remarks in these CARO reports.

For Tamanna Parmar & Associates
Chartered Accountants
Firm's Registration No. 01444C

CA Tamanna Parmar
Partner
Place : Mumbai
Date : 25/05/2023
Membership No. 409291
UDIN :- 23409291BGYUPK7261

“Annexure A” to the Independent Auditor’s Report of even date on the consolidated Financial Statements of Krishival Foods Limited for the year ended March 31, 2023

Report on the internal financial controls with reference to financial statements and the operating effectiveness of such controls under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report of even date

We have audited the internal financial controls with reference to financial statements of Krishival Foods Limited (“the Company”) as at March 31, 2023, in conjunction with our audit of the consolidated Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The board of directors’ of the Company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(ii) 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 management and directors of the company; and(iii) 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management of 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial

statements 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 control system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial control with reference to financial statements 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 Tamanna Parmar & Associates
Chartered Accountants
Firm's Registration No. 01444C

CA Tamanna Parmar
Partner
Place : Mumbai
Date :25/05/2023
Membership No.409291
UDIN : 23409291BGYUPK7261

KRISHIVAL FOODS LIMITED



(Formerly Known as Empyrean Cashews Limited)

Registered Office : 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai 400072

CIN No : L74120MH2014PLC254748

www.krishival.com, Email: cs@krishival.com

Consolidated Balance sheet as at 31st March 2023

(Rs. in lakhs)

| Particulars | Note No. | As at 31-03-2023 | As at 31-3-2022 |
|--|----------|------------------|-----------------|
| | | Amount | Amount |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>Shareholders Funds :-</u> | | | |
| Share Capital | 1 | 1,979.51 | 1,979.51 |
| Reserves & Surplus | 2 | 2,882.48 | 2,234.90 |
| Money Received against share warrants | | 1,606.25 | - |
| <u>Non-Current Liabilities:-</u> | | | |
| Long-Term Borrowings | 3 | 637.78 | 785.58 |
| Deferred Tax Liability | 4 | 49.58 | 32.59 |
| <u>Current Liabilities :-</u> | | | |
| Short-Term Borrowings | 5 | 327.61 | 283.75 |
| Trade Payables | 6 | - | - |
| -Micro and Small Enterprises | | - | - |
| -Others | | 109.33 | 63.61 |
| Other Current Liabilities | 7 | 22.57 | 15.05 |
| Short-Term Provisions | 8 | 13.10 | 29.22 |
| Total | | 7,628.20 | 5,424.21 |
| <u>ASSETS</u> | | | |
| <u>Non-Current Assets</u> | | | |
| Property Plant & Equipments | 9 | - | - |
| Tangible Assets | | 1,456.97 | 1,332.46 |
| Intangible Assets | | - | - |
| Intangible Assets under development | | - | - |
| Non-Current Investments | 10 | 58.40 | 61.60 |
| Long-Term Loans and Advances | | - | - |
| Other non-current assets | 11 | 39.73 | 47.73 |
| <u>Current Assets</u> | | | |
| Inventories | 12 | 2,530.69 | 1,115.25 |
| Trade Receivables | 13 | 431.47 | 41.36 |
| Cash and Cash Equivalents | 14 | 322.04 | 2,126.99 |
| Short-Term Loans and Advances | 15 | 2,788.91 | 698.82 |
| Other current Assets | | - | - |
| Total | | 7,628.20 | 5,424.21 |
| Significant Accounting Policies | 1A | | |
| Notes forming part of the Financial Statements | 1 to 33 | | |

As per our report of even date attached

For & on behalf of Board of Directors

**For TAMANAA PARMAR & ASSOICATES
Chartered Accountants
ICAI F.R.No. 014444C**

**APARNA MORALE BANGAR
Managing Director
DIN : 05332039**

**NANA MHASKE
Director & CEO
DIN : 01911731**

**CA TAMANNA PARMAR
PARTNER
M.No.: 409291
Date:- 25/05/2023
Place:- MUMBAI**

**ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356**

**RAHUL GAWANDE
Company Secretary**

KRISHIVAL FOODS LIMITED



(Formerly Known as Empyrean Cashews Limited)

Registered Office : 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai 400072

CIN No : L74120MH2014PLC254748

www.krishival.com, Email: cs@krishival.com

Consolidated Statement of Profit and Loss for the year ended 31st March 2023

(Rs. in lakhs)

| Particulars | Note No. | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---------------|--------------------------|--------------------------|
| Income | | | |
| Revenue from Operations | 16 | 7,002.94 | 5,176.91 |
| Other Income | 17 | 110.95 | 43.91 |
| Total Income | | 7,113.89 | 5,220.82 |
| EXPENSES | | | |
| Consumption of raw material | 18 | 5,775.38 | 3,742.04 |
| Changes in inventories of stock-in-trade | 19 | 869.48 | 117.08 |
| Employee Benefits Expenses | 20 | 169.46 | 148.35 |
| Depreciation and amortisation expenses | 9 | 140.04 | 144.89 |
| Finance Cost | 21 | 100.27 | 158.51 |
| Other Expenses | 22 | 885.56 | 708.73 |
| Total | | 6,201.23 | 4,785.44 |
| Profit/(Loss) before Tax | | 912.66 | 435.39 |
| Tax Expense: | | | |
| Current tax | | 229.40 | 101.78 |
| Deferred tax | 23 | 16.99 | 1.72 |
| Total Tax Expense | | 246.40 | 103.50 |
| Profit/(Loss) after tax for the year | | 666.26 | 331.88 |
| Earnings per share (Face value of Rs. 10) | 25 | | |
| Basic in Rs. | | 3.37 | 1.68 |
| Diluted in Rs | | 3.36 | 1.68 |
| Significant Accounting Policies Notes forming part of the Financial Statements | 1A 1 to 33 | | |

As per our report of even date attached

For TAMANAA PARMAR & ASSOCIATES
Chartered Accountants
ICAI F.R.No. 014444C

For & on behalf of Board of Directors

PARTNER
M.No.: 409291
Date:- 25/05/2023
Place:- MUMBAI

APARNA MORALE BANGAR
Managing Director
DIN : 05332039

NANA MHASKE
Director & CEO
DIN : 01911731

ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356

RAHUL GAWANDE
Company Secretary

KRISHIVAL FOODS LIMITED

(Formerly Known as Empyrean Cashews Limited)

Registered Office : 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai 400072

CIN No : L74120MH2014PLC254748

www.krishival.com, Email: cs@krishival.com



Consolidated Cash Flow Statement For The Year Ended On 31st March 2023

(Rs. in lakhs)

| Particulars | For the Year ended 31-03-2023 | For the year ended 31-03-2022 |
|---|----------------------------------|----------------------------------|
| (A) Cash flow from operating activities: | | |
| Net Profit before Tax | 912.66 | 435.39 |
| Adjustments for: | | |
| Depreciation | 140.04 | 144.89 |
| (Profit) / Loss on redemption of investments | (0.38) | - |
| Interest and other income on investments | - | (0.07) |
| Interest & Finance expenses | 100.27 | 158.51 |
| Rent Income | (6.05) | (4.58) |
| Foreign exchange gain | (5.79) | (18.07) |
| Provision for gratuity | 5.35 | - |
| Gratuity Paid | (4.72) | 1.45 |
| | - | - |
| Operating profit before working capital changes | 1,141.38 | 717.52 |
| Adjustments for changes in Working Capital | | |
| Increase / (Decrease) in trade payable | 45.72 | 156.53 |
| Increase / (Decrease) in short term borrowing | 43.86 | 111.33 |
| Increase / (Decrease) in provisions | - | 79.59 |
| Increase / (Decrease) in deferred tax liabilities | - | - |
| Increase / (Decrease) in other current liabilities | 7.53 | (14.85) |
| (Increase) / Decrease in short term loan and advances | (2,063.88) | 454.22 |
| (Increase) / Decrease in trade receivables | (384.32) | 23.08 |
| (Increase) / Decrease in inventories | (1,415.43) | (257.27) |
| (Increase) / Decrease in other current assets | - | (198.22) |
| | - | - |
| Cash generated from operations | (2,625.15) | 536.21 |
| Taxes paid | (285.88) | (89.97) |
| Net Cash from operating activities | (2,911.01) | 446.24 |
| (B) Cash flow from investment activities: | | |
| Purchase of tangible / intangible assets | (267.56) | (65.24) |
| Sale of tangible / intangible assets | 3.00 | - |
| Redemption of Investment | 1.95 | - |
| (Increase) / Decrease in long term loan and advances | - | (16.56) |
| (Increase) / Decrease in non current investments | 1.63 | 1.03 |
| (Increase) / Decrease in non current assets | 12.72 | - |
| Dividend/ bank interest received | - | 0.07 |
| Rent Income | 6.05 | 4.58 |
| | - | - |
| Net cash from investment activities | (242.21) | (76.12) |
| (C) Cash flow from financing activities: | | |
| Interest & Finance Expenses | (100.27) | (158.50) |
| Funds borrowed / (Paid) | (147.80) | (153.75) |
| Dividend paid | (9.90) | - |
| Issue of Shares | - | 524.70 |
| Premium on Shares | - | 1,416.69 |
| Issue of Share Warrants | 1,606.25 | - |
| | - | - |
| Net cash from financing activities | 1,348.28 | 1,629.14 |
| Net increase/decrease in cash and cash equivalent (A + B + C) | (1,804.94) | 1,999.25 |
| Net increase in cash and cash equivalent | | |
| Cash and cash equivalents opening balance | 2,126.99 | 127.73 |
| Cash and cash equivalents closing balance | 322.04 | 2,126.99 |
| | - | - |
| Net decrease in cash and bank balance | (1,804.94) | 1,999.25 |

Notes to Cash Flow Statement for the year ended 31st March 2023

(1) Cash and Cash Equivalents include the followings amounts

| | <u>31-03-2023</u> | <u>31-03-2022</u> |
|-----------------------|-------------------|-------------------|
| Cash on Hand | 3.19 | 4.57 |
| Balance with Banks | | |
| - In Current Accounts | 318.85 | 2,122.41 |
| - In fixed Deposit | - | - |
| Other Bank Balances | - | - |
| | 322.04 | 2,126.99 |

(2) The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3

As per our report of even date attached

For & on behalf of Board of Directors

For TAMANAA PARMAR & ASSOICATES

Chartered Accountants

ICAI F.R.No. 014444C

APARNA BANGAR
Managing Director
DIN : 05332039

NANA MHASKE
Director & CEO
DIN : 01911731

PARTNER

M.No.: 409291

Date:- 25/05/2023

Place:- MUMBAI

ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356

RAHUL GAWANDE
Company Secretary

Notes to Consolidated Financial Statements for the year Ended 31st March 2023

Corporate Information

Krishival Foods Limited (Formerly Known as Emyrean Cashews limited) was incorporated on March 21,2014 and Company's Equity Share are listed on SME Emerge platform of National Stock Exchange (NSE) with effect from 31st March 2022. It is primarily engaged in the business of processing of nuts and other dryfruits. The Registered office of the company is located at 1309, Lodha Supremus, Saki Vihar road, Opp MTNL office, Mumbai 400072.

Note No 1A : Significant Accounting Policies:

a. Basis of Accounting and Preparation of Financial Statements

The Company prepared its financial statements in accordance with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 (as amended). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. However there is some regrouping as compared to previous financial year for making comparable presentation of financial statements.

b. Use of Estimates

The preparation of the financial statements in conformity with the Accounting Standards requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

c. Inventories

Stock in trade, work in progress, finished goods, packing materials, stores and spares are valued at lower of cost or net realizable value, Cost of raw

materials, packing materials, and stores and spares is determined on a First In-First out (FIFO) basis and includes all applicable costs.

Stock-in-trade and finished goods are valued at lower of cost or net realizable value. Cost includes direct materials and direct cost incurred to bring the stock in ready to dispatch stage as aforesaid.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs necessary to make the sale have increased.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the balance sheet date to the extent that such events confirm the conditions existing at the balance sheet date.

d. Cash and Cash Equivalents (for the purpose of cash flow statement)

Cash flows are reported using Indirect Method whereby the cash flows generated from Operating, Investing and Financing activities of the company are segregated. Cash comprises cash on hand, cash/cheque in hand and demand deposits with banks.

e. PPE (Property, Plant and Equipment's)

Property, Plant and Equipment are stated at cost less accumulated depreciation (other than free hold land if any) and accumulated impairment losses thereon if any.

Assets purchased/installed during the year costing less than Rs.5000/- each are fully depreciated in the year of purchase.

Depreciation is calculated on pro-rata basis on Written Down method over the standard useful lives of the asset which is in line with the useful lives prescribed in Schedule II to the Companies Act, 2013. The useful lives of each property, plant and equipment is stated below.

The carrying amount of an item of Property, plant and Equipment is derecognised on disposal. Any gain or loss arising on disposal of Property, plant and Equipment is recognised in the statement of profit & loss. Depreciation is provided as below :-

Assets Useful Life (in years)

| | |
|---------------------|----|
| Buildings | 60 |
| Factory Buildings | 30 |
| Furniture & Fixture | 10 |
| Plant & Equipment | 15 |
| Computer | 3 |
| Vehicles | 8 |

f. Intangible assets :

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses thereon. The cost comprises its purchase price, borrowing cost if its criteria are met and other directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

During the year company has not acquired any intangible assets, and also as on 31/03/23 there is no block of assets of Intangible assets

g. Revenue Recognition :

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales do not include goods

and services tax (GST). Revenue is recognised when it is earned and no significant uncertainty exists as to its ultimate realisation or collection.

Revenue & Expenses from Trading & Marketing activities is recognised on accrual basis, Rate difference (Purchases/Sales) is accounted only on the receipt of necessary Credit Notes from Suppliers and/or Debit Notes from Customers or when the accounts are settled.

h. Other Income :

Interest income and Rent income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

i. Foreign Currency transaction and translations :

Transactions in foreign currencies covering current assets and current liabilities are accounted for at the exchange rates prevailing on the dates the transactions take place. Gains and losses arising out of subsequent fluctuation in exchange rates are adjusted in statement of Profit & Loss Account under appropriate heads of account. Transactions which remain unsettled at the year end are translated at year end exchange rate.

j. Investments :

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Investment in the said partnership firm is recognised after considering the share of loss. i.e. Current capital balance as on the year end date. Cost of investments includes acquisition charges such as brokerage, fees and duties.

k. Borrowing Costs

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

relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

During the said financial year there is no borrowing cost incurred for purchase of capital asset and also there is no borrowing cost is capitalised in relation to any qualifying assets.

1. Employee Benefits

a. Provident Fund :

Retirement benefit in the form of Provident fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

b. Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The company has created an approved Gratuity fund, which has taken a group gratuity cum insurance policy with an LIC to cover the gratuity liability of the employees. At the end of accounting year, difference between obligation as per actuarial valuation and the fair value of plan assets is further provided.

m. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Provision for Taxes has been calculated on the basis of Section 115BAA of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

n. Earnings Per Share

Basic earnings per share is computed by dividing the Net Profit / (Loss) attributable to Equity Shareholders (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the Net Profit / (Loss) attributable to Equity Shareholders (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the earnings per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

The Company has issued 25,00,000 Equity Share warrants on preferential basis, which was approved by the members in the Extra Ordinary General meeting held on March 4,2023. The Company has received 25% of the consideration at the time of allotment of warrants.

o. Provisions and Contingencies

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources

would be required to settle the obligation, the provision is reversed. Presently management has not provided for provision for doubtful debts as it is virtually certain that all debtors will be realised in the due course of the business.

p. Bad Debts / Provision for Bad Debts:

The company considers a financial asset in default when contractual payments are highly overdue from terms. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. If in any previous year, the debt has been written off as bad and the relevant deduction has also been claimed but later on the same debt is recovered in full or part, then the amount so recovered will be included as income of the financial year in which such amount has recovered.

During the year the company has not accounted for any such Bad debts or any kind provision for Bad debts, except very small negligible amount written off as discount allowed.

q. Segment Information

The Company has only one major business segment i.e. processing of nuts and other dry fruits.

Other Statutory Information :-

- i) The company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall :
 - a) 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

- b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- iv) The company has not received any fund from any person(s) or entity(ies), Including foreign entities with the understanding (whether recorded In writing or otherwise) that the company shall:
 - a) directly or indirectly mail or invest n other person or entities identified h any manner whatsoever by or on behalf of company (ultimate beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- v) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961(such as search or survey or any other relevant provision of the Income Tax Act, 1961.
- vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.
- vii) The Companies not declared wilful defaulter by any bank or financial institution or lender during the year.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) Periodical returns or statements of current assets filed by the Company with banks or financial Institutions are In agreement with the books of accounts.
- x) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained
- xi) The title deeds of all the Immovable properties,(other than immovable properties where the Companies the lessee and the lease agreements are duly executed In favour of the Company) are disclosed In the financial statements included In property, plant and equipment and capital work-in-progress are held In the name of the Company as at the balance sheet date.
- xii) The Company does not have any transactions with companies which are struck off.
- xiii) Company is not covered by Section 135 of the Companies Act, 2013, dealing with the 'Corporate Social Responsibility

Notes Forming Part of The Financial Statements as at 31st March 2023

NOTE 1: SHARE CAPITAL

Rs in Lakhs

| Particulars | As at Mar 31,2023 | As at Mar 31,2022 |
|---|----------------------|----------------------|
| Authorized 24000000 (PY 20000000) Equity shares of Rs.10 each at par | 2,400.00 | 2,000.00 |
| | 2,400.00 | 2,000.00 |
| Issued, Subscribed and Fully Paid Up 19795141 (PY 19795141) Equity shares of Rs.10 each fully paid up | 1,979.51 | 1,979.51 |
| TOTAL | 1,979.51 | 1,979.51 |

Note1.1: Reconciliation of No. of shares Outstanding at the beginning & at the end of the reporting period

| Particulars | As at Mar 31,2023 | As at Mar 31,2022 |
|--------------------------------------|----------------------|----------------------|
| Opening No. of Shares | 1,97,95,141 | 1,45,48,141 |
| Issued During the year: Rights Issue | - | - |
| Issued During the year: Bonus Issue | - | - |
| Issued During the year: IPO | - | 52,47,000 |
| Closing no. of Shares | 1,97,95,141 | 1,97,95,141 |

Note 1.2: The details of shareholders holding more than 5% shares

| Name of the shareholders | No. of Shares held | % held as at Mar 31,2023 | No. of Shares held | % held as at Mar 31,2022 |
|--------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
| Aparna Morale Bangar | 76,80,641 | 38.80% | 76,80,641 | 38.80% |
| Sayad Jaffer Islam | 51,00,000 | 25.76% | 51,00,000 | 25.76% |
| TOTAL | 1,27,80,641 | 64.56% | 1,27,80,641 | 64.56% |

Terms/Rights to Equity Shares

The company has one class of Equity Shares having par value of Rs. 10 per share. The company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. Each shareholder is entitled to one vote per share. In the event of liquidation of the company, the holders of the 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 number of equity shares held by the shareholders.

Note 1.3: The details of Promoter wise holding

| Shares held by promoters at the end of the year 31st March 2023 | | | | % |
|---|--------------------------|---------------------|-------------------|---|
| Sr. No. | Promoter Name | No. of Shares | % of total shares | |
| 1 | APARNA MORALE BANGAR | 76,80,641.00 | 38.80 | - |
| 2 | NANA PRAKASH MHASKE | 3,05,000.00 | 1.54 | - |
| 3 | ANANT PANDURANG KULKARNI | 3,05,000.00 | 1.54 | - |
| | Total | 82,90,641.00 | | |

| Shares held by promoters at the end of the year 31st March 2022 | | | | % |
|---|--------------------------|---------------------|-------------------|-------|
| Sr. No. | Promoter Name | No. of Shares | % of total shares | |
| 1 | APARNA MORALE BANGAR | 76,80,641.00 | 38.80 | 13.99 |
| 2 | NANA PRAKASH MHASKE | 3,05,000.00 | 1.54 | 0.56 |
| 3 | ANANT PANDURANG KULKARNI | 3,05,000.00 | 1.54 | 0.56 |
| | Total | 82,90,641.00 | | |

Notes Forming Part of The Financial Statements as at 31st March 2023
(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| | Amount | Amount |
| NOTE 2: RESERVES & SURPLUS | | |
| a) Security Premium | | |
| Balance as at the beginning of the year | 1,416.69 | - |
| Add: Premium on Right Shares issued | - | 1,416.69 |
| Add: Premium on Shares issued under IPO | - | - |
| Balance as at the end of the year | 1,416.69 | 1,416.69 |
| b) Surplus: Profit and Loss Account | | |
| As per Balance Sheet | 818.21 | 489.15 |
| Add: Profit/(Loss) for the year | 666.26 | 331.88 |
| Add: Excess/(Short) provision for Tax of earlier years | (18.68) | 7.08 |
| <u>(Less) Appropriation of Fund</u> | - | - |
| Less: Proposed Dividend | - | (9.90) |
| Total | 1,465.79 | 818.21 |
| Total (a + b) | 2,882.48 | 2,234.90 |
| NOTE 3: LONG-TERM BORROWINGS | | |
| Secured | | |
| Term Loans (refer note 3.1) | 944.27 | 1,022.72 |
| Unsecured | | |
| Term Loans and Overdraft (refer note 3.1) | 21.12 | 46.61 |
| Less: current maturities transferred to other current liabilities | (327.61) | (283.75) |
| Total | 637.78 | 785.58 |
| Note 3.1: | | |
| Axis Auto Loan - Secured | 21.94 | 31.93 |
| - Secured against hypothecation of specific vehicle. | | |
| - Repayable in 63 EMIs of Rs. 1,03,913/- starting from 10/11/2019 and ending on 10/01/2025 | | |
| - Rate of interest is 9.05% | | |
| PNB Housing Loan - Secured | 541.93 | 550.36 |
| - Secured against mortgage of property and guarantees given by management and group companies | | |
| - Repayable in 240 EMIs of Rs. 5,66,109/- starting from 10/03/2017 and ending on 10/04/2047 | | |
| - Rate of interest is 11.17% | | |
| Axis Bank Loan under ECLGS Scheme - Secured | 99.00 | 99.00 |
| - Secured against Second Charge on existing securities. | | |
| - Repayable in 36 EMIs of Rs. 2,75,000/- starting from 01/12/2023 and ending on 01/11/2026 | | |
| - Rate of interest is 8.85% | | |
| Axis Bank OD - Secured | 258.27 | 279.94 |
| - Secured against Current Assets and collateral security of 1309 Lodha Supremus, Powai and guarantees given by Directors and Management | | |
| - Repayable on demand. | | |
| - Rate of interest is 9% | | |
| Moneywise Financial Services Private Limited - Unsecured | 21.12 | 37.47 |
| - Gurantees given by Directors and KMP- Repayable in 36 EMIs of Rs.1,79,034 starting from 05/05/2021 and ending on 05/04/2024 | | |
| - Rate of interest is 17% | | |
| ICICI Bank Loan - Unsecured | 23.13 | 43.06 |
| - Repayable in 36 EMIs of Rs. 2,08,763/- starting from 05/04/2021 and ending on 05/03/2024 | | |
| - Rate of interest is 15 % | | |

Notes Forming Part of The Financial Statements as at 31st March 2023

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| | Amount | Amount |
| HeroFincorp Limited - Unsecured - Gurantee given by Directors and Relatives. - Repayable on demand. - Rate of interest is 17% | - | 9.13 |
| IDFC First Bank - Unsecured - Gurantees given by Directors, relatives and group companies - Repayable on demand. - Rate of interest is 15% | - | 14.63 |
| NOTE 4: DEFERRED TAX LIABILITY (Net) | | |
| Opening Balance | 32.59 | 30.87 |
| (Deferred tax asset)/Liability on account of depreciation recognised for the year | 16.99 | 1.72 |
| Total | 49.58 | 32.59 |
| NOTE 5: SHORT TERM BORROWINGS | | |
| Current maturities of Long Term Borrowings from Banks and overdraft (Refer Note 3.1) | 308.25 | 279.94 |
| From Others | 19.36 | 3.81 |
| Total | 327.61 | 283.75 |
| NOTE 6: TRADE PAYABLES | | |
| a) Outstanding towards micro and small enterprise* | - | - |
| b) Others | | |
| - for goods | 92.20 | 62.76 |
| - for expenses | 15.94 | - |
| c) Disputed MSME | - | - |
| d) Disputed others | - | - |
| e) Advance received | 1.19 | 0.85 |
| Total | 109.33 | 63.61 |
| *refer note no 29 | | |
| NOTE 6.1: AGEING OF TRADE PAYABLE | | |
| Not Due | 1.19 | 0.85 |
| Less than 1 Year | 108.14 | 62.76 |
| 1 Year to 2 Year | - | - |
| 2 Year to 3 Year | - | - |
| More than 3 Year | - | - |
| Unbilled dues | - | - |
| | 109.33 | 63.61 |
| NOTE 7: OTHER CURRENT LIABILITIES | | |
| Other Payables* | 22.57 | 15.04 |
| Total | 22.57 | 15.04 |
| *include mainly towards statutory liabilities and staff salary | | |
| NOTE 8: SHORT-TERM PROVISION | | |
| Provision for employee benefits (Refer note no 20.1) | 13.10 | 7.74 |
| Income Tax provision - current year | - | 11.58 |
| Provision for Dividend | - | 9.90 |
| Total | 13.10 | 29.22 |
| NOTE 10: NON CURRENT INVESTMENTS | | |
| A. Quoted investment | | |
| NIL (PY 35.571) units of Nippon India Liquid Fund (Market Value is Rs NIL (PY Rs 1,85,254) | - | 1.57 |
| B. Unquoted Investment | - | - |
| i. Investment in partnership firm | | |
| a. SA Trading | | |
| Capital Account | 0.10 | 0.10 |
| Current account | 58.30 | 59.93 |

Notes Forming Part of The Financial Statements as at 31st March 2023

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| | Amount | Amount |
| Total | 58.40 | 61.60 |
| Disclosure regarding Partnership Firm | | |
| Name of the Partners | Sharing Ratio | Capital Amount |
| a. krishival Foods Limited | 10% | 0.10 |
| b. Sujit Bangar | 20% | 0.20 |
| c. Vijay Mankoskar | 70% | 0.70 |
| NOTE 11: OTHER NON-CURRENT ASSETS | | |
| Deposits | 33.01 | 45.73 |
| Gratuity Fund | 6.72 | 2.00 |
| Total | 39.73 | 47.73 |
| NOTE 12: INVENTORIES | | |
| (As certified by management) | | |
| Finished Goods | 1,061.78 | 192.30 |
| Work in Process | - | - |
| Raw Material | 1,456.01 | 922.96 |
| Packing Material | 12.89 | - |
| Total | 2,530.69 | 1,115.25 |
| NOTE 13: TRADE RECEIVABLES | | |
| (Unsecured, Considered Good) | | |
| a) Undisputed trade receivable consider good | 431.47 | 41.36 |
| b) Undisputed trade receivable - considered doubtful | - | - |
| c) Disputed trade receivable consider good | - | - |
| d) Disputed trade receivable - considered doubtful | - | - |
| Total | 431.47 | 41.36 |
| (Refer note no 26 for receivable from related party) | | |
| NOTE 13.1: AGEING OF TRADE RECEIVABLES | | |
| Unbilled dues | - | - |
| Not Due | - | - |
| Less than 6 Months | 431.47 | 41.23 |
| 6 Months to 1 Year | - | 0.13 |
| 1 Year to 2 Year | - | - |
| 2 Year to 3 Year | - | - |
| More than 3 Year | - | - |
| Total | 431.47 | 41.36 |
| NOTE 14: CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | 3.19 | 4.57 |
| Balance with Banks | - | - |
| -In Current Accounts | 318.84 | 2,122.41 |
| -In Fixed Deposit | - | - |
| Other Bank Balances | - | - |
| Total | 322.03 | 2,126.99 |
| NOTE 15: SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, Considered Good) | | |
| Advance given to vendors | 2,532.04 | 488.35 |
| Other Loans and advances | - | 14.30 |
| GST Credit/Refund Receivable | - | - |
| Share application money receivable | - | 72.15 |
| Advance recoverable in cash or kind* | 256.87 | 124.02 |
| Total | 2,788.91 | 698.82 |
| *Includes mainly Balances with Statutory Authority and prepaid expenses | | |
| NOTE 16: REVENUE FROM OPERATIONS | | |
| Sale of Products | 7,002.94 | 5,176.91 |
| Total | 7,002.94 | 5,176.91 |
| Note 16.1: Details of Sale of Products | | |

Notes Forming Part of The Financial Statements as at 31st March 2023

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------------------|------------------------------|
| | Amount | Amount |
| Nuts and Dryfruits | 7,002.94 | 5,176.91 |
| | 7,002.94 | 5,176.91 |
| Note 17: OTHER INCOME | | |
| Rent Income | 6.05 | 4.58 |
| Foreign Exchange Gain | 5.79 | 18.07 |
| Interest Income | - | 0.07 |
| Other Income | 99.11 | 21.19 |
| | 110.95 | 43.91 |
| NOTE 18: COST OF MATERIAL CONSUMED | | |
| Opening stock of Raw Material | 922.96 | 782.77 |
| Purchase of raw material | 6,308.44 | 3,882.23 |
| Less: Closing stock of Raw Material | (1,456.01) | (922.96) |
| | | |
| Total | 5,775.38 | 3,742.04 |
| NOTE 19: CHANGES IN INVENTORIES OF STOCK IN TRADE | | |
| Opening stock | 192.30 | 75.21 |
| Closing stock | 1,061.78 | 192.30 |
| | | |
| Net (increase) / decrease | (869.48) | (117.08) |
| NOTE 20: EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and wages * | 145.07 | 133.47 |
| Incentive to employees | 7.08 | 6.00 |
| Contributions to provident and other funds | 7.75 | 4.31 |
| Staff welfare expenses | 9.56 | 4.55 |
| Total | 169.46 | 148.35 |
| * Includes Director Remuneration | | |
| Note 20.1 | | |
| As required under the Accounting Standard AS – 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India, the disclosure as defined in the Accounting Standard are given below : | | |
| Contribution to defined contribution plan, recognised as expenses for the year is as under ; | | |
| Employers contribution to Provident Fund Rs. 2.3 Lakhs (Previous Year Rs. 2.86 Lakhs) | | |
| Employers contribution to Gratuity Fund Rs. 5.35 Lakhs (Previous Year Rs. 1.44 Lakhs) | | |
| Defined Benefit Plan : | As at 31st March 2023 | As at 31st March 2022 |
| Particulars | | |
| Assumptions: | | |
| Discount Rate | 7.50% | 7.25% |
| Rate of increase in compensation | 5.00% | 5.00% |
| 1. Table Showing changes in present value of obligation | | |
| Present value of Obligation at the beginning of the year | 7.74 | 6.29 |
| Interest Cost | 0.56 | 0.46 |
| Current Service Cost | 1.43 | 1.40 |
| Benefits Paid | (4.72) | - |
| Actuarial (gain) / Loss on obligation | 3.37 | (0.41) |
| Present value of obligation at the end of the year | 8.38 | 7.74 |
| 2. Changes in fair value of plan assets | | |
| Fair Value of Plan Assets at beginning of period | - | - |
| Contributions | - | - |
| Actuarial Gain/(Loss) on plan assets | - | - |
| Fair Value of Plan Assets at end of period | - | - |
| 3. Actuarial Gain/Loss recognized | | |
| Actuarial Gain / (Loss) on obligation | 3.37 | (0.41) |
| Actuarial Gain / (Loss) for the year - Plan assets | - | - |
| Total gain / (Loss) for the year | 3.37 | (0.41) |
| Actuarial (gain) / Loss recognised in the year | 3.37 | (0.41) |
| 4. The amounts to be recognized in the balance sheet | | |
| Present value of obligation at the end of the year | 8.38 | 7.74 |
| Fair value of the plan assets at the end of Year | - | - |
| Funded Status | (8.38) | (7.74) |
| Net Assets / (Liability) recognised in Balance Sheet | (8.38) | (7.74) |

Notes Forming Part of The Financial Statements as at 31st March 2023

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|--|------------------|------------------|
| | Amount | Amount |
| 5. Expenses Recognised in statement of Profit and Loss | | |
| Current Service Cost | 0.56 | 0.46 |
| Interest Cost | 1.43 | 1.40 |
| Net actuarial (gain) / Loss recognised for the year | 3.36 | (0.41) |
| Expenses recognised in Statement of Profit & Loss | 5.35 | 1.45 |
| NOTE 21: FINANCE COSTS | | |
| Interest on loans | 93.25 | 154.22 |
| Bank Charges | 7.02 | 4.29 |
| Total | 100.27 | 158.51 |
| NOTE 22: OTHER EXPENSES | | |
| a) Operating expenses | | |
| Custom Duty | 2.71 | - |
| Clearing & Forwarding - Inward | 74.92 | 128.07 |
| Fire Wood Exp | 11.55 | 5.59 |
| Freight Inwards | 7.91 | 43.84 |
| Inspection charges | 8.92 | 9.20 |
| Loading & Unloading expense | 11.15 | 4.31 |
| Factory Electricity Expenses | 53.88 | 33.24 |
| Factory License Charges | 1.03 | - |
| Labour & Cutting Charges | 240.46 | 175.62 |
| Repair & Maintance at Factory | 20.27 | 4.37 |
| b) Administrative Expenses | | |
| Payment to Auditors (Refer note 22.1) | 6.11 | 0.50 |
| Commission Expenses | 5.35 | 9.75 |
| Insurance Charges | 1.69 | 3.03 |
| Loss on sale of Assets | 1.40 | - |
| Loss on sale of Investment | 1.63 | 1.03 |
| Other Expense | 45.84 | 37.43 |
| Petrol & Diesel Expense | 3.61 | 1.51 |
| Professional Fees | 95.96 | 93.55 |
| Rent Expenses | 32.80 | 16.30 |
| Repair & Maintance - vehicles and other assets | 6.30 | 8.10 |
| Security Charges | 2.44 | 1.17 |
| Software Charges | 1.62 | 0.33 |
| Spare Parts | 9.65 | 6.31 |
| Transportation expenses | 110.09 | 44.03 |
| Travelling & Conveyanvce | 29.24 | 18.87 |
| c) Selling Expenditure | | |
| Advertisement Expense | 4.87 | 2.44 |
| Business promotion expense | 1.51 | 0.10 |
| Packing Expenses | 92.68 | 60.05 |
| Total | 885.56 | 708.73 |
| Note 22.1: PAYMENT TO AUDITORS (Excluding Indirect Taxes) | | |
| Statutory Audit Fees | 4.00 | 0.35 |
| Tax Audit | 1.00 | 0.15 |
| Consultancy Fee | 1.11 | - |
| Total | 6.11 | 0.50 |
| Note 23: DEFERRED TAX ASSETS / (LIABILITIES) | | |
| on account of Property Plant and Equipments | 15.50 | 5.80 |
| on account of disallowances under Income Tax Act, 1961 | 1.49 | 2.00 |
| | 16.99 | 7.80 |
| NOTE 24: EXCHANGE FLUCTUATIONS | | |
| Exchange fluctuations recognised in the Profit & Loss A/c is Rs. 5.79 Lakhs/- net Credit (PY Rs. 18.07 Lakhs/- net Credit) . | | |
| NOTE 25: EARNING PER SHARE | | |
| Basic EPS | | |

Notes Forming Part of The Financial Statements as at 31st March 2023

(Rs. in lakhs)

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|---|------------------|------------------|
| | Amount | Amount |
| Net profit/ (loss) after tax as per Profit and Loss Statement attributable to equity shareholders | 666.26 | 331.88 |
| Weighted average number of Equity shares | 1,97,95,141 | 1,97,95,141 |
| Basic Earnings per Share | 3.37 | 1.68 |
| <u>Diluted Earning Per Share</u> | | |
| Net profit/ (loss) after tax as per Profit and Loss Statement attributable to equity shareholders | 666.26 | 331.88 |
| Weighted average number of Equity shares | 1,98,56,811 | 1,97,95,141 |
| Diluted Earnings per Share | 3.36 | 1.68 |

NOTE 26: RELATED PARTY TRANSACTION (As certified by management)

As per Accounting Standard 18, the disclosures of transactions with the related parties are as under:

A. Key Managerial Personnel:

| Name | Relation |
|---------------------------|-------------------------|
| Nana Prakash Mhaske | Director |
| Aparna Morale Bangar | Managing Director |
| Anant Pandurang Kulkarni | Chief Financial Officer |
| Rahul Gawande | Company Secretary |
| Shailesh Jain | Independent Director |
| Sunilkumar Agarwal | Independent Director |
| Neeraj Kulbhushan Taandon | Independent Director |

B. Companies/Entities wherein Key Managerial Personnel have significant influence:

| Name | Relation |
|--------------------------|----------------------------|
| S A Trading | Director Spouse is partner |
| SSBA Innovations Limited | Common Director company |
| SSB Capital Advisors | Director spouse proprietor |
| Empyrean Enviro | Director is partner |
| Modi Co | Common Director Proprietor |

The following transactions were carried out with the related parties in the ordinary course of business (except reimbursement of actual expenses)

| Particulars | Nature of Transaction | 2022-23 | 2021-22 |
|---|--------------------------------------|---------|---------|
| A. Key Managerial Person | | | |
| Nana Prakash Mhaske | Directors Remuneration | 14.20 | 13.80 |
| Anant Pandurang Kulkarni | Directors Remuneration | 12.50 | 12.00 |
| Aparna Morale Bangar | Directors Remuneration | 41.00 | 30.00 |
| B. Entities wherein Key Managerial Personnel have significant influence: | | | |
| Empyrean Enviro | Purchase of goods and Labour Charges | - | 219.89 |
| Modi Co | Purchase of goods and Labour Charges | - | 438.39 |
| SSBA Innovations Limited | Rent Income (Including GST) | 2.97 | 2.29 |
| SSB Capital Advisors | Sales | 0.51 | - |
| S A Trading | Rent Income (Including GST) | 2.97 | 2.29 |
| | Share of Loss | 1.62 | - |
| Balance outstanding | | | |
| Nana Prakash Mhaske | Director Remuneration Payable | 0.84 | 0.43 |
| Aparna Morale Bangar | Director Remuneration Payable | 6.42 | 2.46 |
| Amol Morale | Director Remuneration Payable | - | 1.34 |
| Anant Pandurang Kulkarni | Director Remuneration Payable | 1.09 | 0.04 |
| SSBA Innovations Private Limited | Receivable | 0.02 | - |
| SSB Capital Advisors | Receivable | 0.06 | - |

| NOTE 27: | 2022-23 | 2021-22 |
|---|-----------------|-----------------|
| a) EARNING IN FOREIGN CURRENCY | - | - |
| | - | - |
| b) EXPENDITURE IN FOREIGN CURRENCY | | |
| Import Purchase | 3,435.45 | 2,116.10 |
| | 3,435.45 | 2,116.10 |

| Note 28: Foreign Currency Exposures and Derivative Instruments | 2022-23 | 2021-22 |
|---|----------------|----------------|
| Trade Receivables in Foreign Currency - Rs. In lakhs* | | - |
| Less: Nominal amount of Forward Exchange contracts entered into by the Company and outstanding as on 31st March for hedging foreign currency exposure amount to | - | - |
| ii) Unhedged foreign currency exposure | | |
| Receivable (Rs in lakhs) | - | - |
| *The above trade receivable is excluding unbilled revenue of Rs 42 Lakhs (previous year Nil) | | |

NOTE 29: DUES TO MICRO AND SMALL ENTERPRISES

To comply with the requirement of The Micro, Small and Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm it whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communication received from such suppliers confirming their coverage as such enterprise, the company has recognized them for the necessary disclosure as provided under the Act, from the date of receipt of such confirmations and are disclosed in note below. The Company does not have any overdue trade payable considering contracts with the parties and hence there is no interest payable. Hence details of payments to MSME are not applicable.

Note 30:

In the opinion of the Board, all the Current Assets and Loans and Advances are approximately of the value stated if they are realised in the ordinary course of business and the adequate provisions are made for all known liabilities including depreciation.

Note 31:

Previous period figures have been regrouped / re-arranged wherever necessary.

Note 32

| Contingent Liabilities and Commitments: | 2022-23 | 2021-22 |
|--|----------------|----------------|
| Contingent Liability | | |
| - Disputed Liabilities under Income Tax Act, 1961 | - | - |
| - Bank Guarantees issued by Bankers in favour of third parties | - | - |
| Capital Commitment | | |
| Estimated amount of contracts remaining to be executed on capital account net of advances paid | - | - |

Note 33: explanation for change in ratio by more than 25%

- 33.1 :- There is increase in closing current assets mainly inventory and short term advances for business purpose
 33.2 :- There is decrease in long term loan during the year; as well there is an issue of share warrants during the year so equity fund increased compare to last year.
 33.3 :- There is an increase in debt service coverage ratio , due to better profitability
 33.4 :- There is increase in inventory turnover as compare to last year due to better inventory management and increase in sales during the year
 33.5 :- There is increase in trade receivable turnover ratio during the year due to opening of vashi branch in last quarter of the year
 33.6 :- There is decrease in trade payable ratio during the year due to better management and mainly all import purchase is on advance payment basis
 33.7 :- There is decrease in working capital turnover ratio due to expansion of business ; there is high working capital as compare to preceding year
 33.8 :- There is increase in topline of the co as well there is improvement in profitability hence net profit ratio has increased

For TAMANAA PARMAR & ASSOICATES
Chartered Accountants
ICAI F.R.No. 014444C

For & behalf of Board of Directors

PARTNER
M.No.: 409291
Date:- 25/05/2023
Place:- MUMBAI

APARNA MORALE BANGAR
Managing Director
DIN : 05332039

NANA MHASKE
Director & CEO
DIN : 01911731

ANANT KULKARNI
DIRECTOR & CFO
DIN NO :01887356

RAHUL GAWANDE
Company Secretary

Note 9 : Property Plant & Equipments

(Rs. in Lakhs)

| Particulars | Gross Block | | | | Depreciation | | | | Net block | |
|--------------------------|-----------------------------|---------------|-------------|-----------------------------|-----------------------------|---------------|-----------|-----------------------------|---------------------|---------------------|
| | Opening as on 01-04-2022 | Additions | Deduction | Closing as on 31-03-2023 | Opening as on 01-04-2022 | Additions | Deduction | Closing as on 31-03-2023 | As on 31-03-2023 | As on 31-03-2022 |
| Tangible | | | | | | | | | | |
| Factory Building | 174.84 | 18.30 | - | 193.14 | 47.99 | 12.28 | | 60.27 | 132.87 | 126.85 |
| Other Building | 1,067.69 | 60.48 | | 1,128.16 | 257.37 | 40.87 | | 298.24 | 829.93 | 810.32 |
| Furniture & Fixtures | 156.85 | 5.63 | - | 162.48 | 113.81 | 11.57 | - | 125.37 | 37.10 | 43.04 |
| Plant and Machinery | 632.84 | 117.37 | 3.00 | 747.22 | 320.49 | 62.61 | - | 383.09 | 364.12 | 312.36 |
| Vehicles | 153.27 | | | 153.27 | 114.21 | 12.20 | | 126.41 | 26.86 | 39.06 |
| Computers | 14.05 | | | 14.05 | 13.22 | 0.52 | | 13.75 | 0.30 | 0.83 |
| Land | | 65.78 | | 65.78 | - | - | | - | 65.78 | - |
| | | | - | - | | | | - | - | - |
| Sub-Total | 2,199.54 | 267.56 | 3.00 | 2,464.10 | 867.08 | 140.04 | - | 1,007.13 | 1,456.97 | 1,332.46 |
| Intangible Assets | | | | | | | | | | |
| Softwares | | | - | - | | | - | - | - | - |
| Sub-Total | - | - | - | - | - | - | - | - | - | - |
| Total | 2,199.54 | 267.56 | 3.00 | 2,464.10 | 867.08 | 140.04 | - | 1,007.13 | 1,456.97 | 1,332.46 |
| Previous year | 2,134.30 | 65.24 | - | 2,199.54 | 722.20 | 144.89 | - | 867.09 | 1,332.46 | - |

NOTE: 33

| ANALYTICAL RATIO | PARTICULARS (Numerator / Denominator) | AMOUNT (Rs in lakhs) | | RATIO | | Variance | Refer Notes |
|---|---|-----------------------|---------------|--------------|---------------|----------|-----------------|
| | | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | | |
| CURRENT RATIO | Current asset | 6,073.09 | 3,982.42 | 12.85 | 10.17 | 26.37% | Refer note 33.1 |
| | Current liability | 472.61 | 391.63 | | | | |
| DEBT EQUITY RATIO | Total debt (Long term borrowings+Short term borrowings) | 965.39 | 1,069.33 | 0.15 | 0.25 | -41.18% | Refer note 33.2 |
| | Shareholders equity | 6,468.23 | 4,214.41 | | | | |
| DEBT SERVICE COVERAGE RATIO | Earnings available for debt services | 1,148.97 | 735.53 | 5.83 | 1.75 | 232.15% | Refer note 33.3 |
| | Debt services | 197.19 | 419.29 | | | | |
| RETURN ON EQUITY | Net profit | 666.26 | 331.88 | 12% | 11% | 15.73% | |
| | Average Shareholders equity | 5,341.32 | 3,079.19 | | | | |
| INVENTORY TURNOVER RATIO | Sales | 7,002.94 | 5,176.91 | 3.84 | 5.25 | -26.79% | Refer note 33.4 |
| | Average inventory | 1,822.97 | 986.62 | | | | |
| TRADE RECEIVABLES TURNOVER RATIO | Net credit sales | 7,002.94 | 5,176.91 | 0.03 | 0.01 | 230.37% | Refer note 33.5 |
| | Average accounts receivables | 236.42 | 52.90 | | | | |
| TRADE PAYABLES TURNOVER RATIO | Net credit purchases | 6,308.44 | 3,882.23 | 0.01 | 0.03 | -69.44% | Refer note 33.6 |
| | Average trade payables | 54.67 | 110.07 | | | | |
| WORKING CAPITAL TURNOVER RATIO | Net sales | 7,002.94 | 5,176.91 | 1.52 | 2.07 | -26.40% | Refer note 33.7 |
| | Average working capital | 4,595.63 | 2,500.51 | | | | |
| NET PROFIT RATIO | Net profit after tax | 666.26 | 331.88 | 10% | 6% | 48.41% | Refer note 33.8 |
| | Net sales | 7,002.94 | 5,176.91 | | | | |
| RETURN ON CAPITAL EMPLOYED | Earnings before interest & taxes | 1,145.95 | 734.50 | 18% | 17% | 5.04% | |
| | Average Capital employed | 6,358.68 | 4,281.05 | | | | |
| RETURN ON INVESTMENT | Income generated from investments | 0 | 0 | NA | NA | | |
| | Time weighted average Investments | 60.00 | 62.11 | | | | |

To,

If Undelivered please return to:
Compliance Officer,
Krishival Foods Limited
1309, Lodha Supremus, Saki Vihar Road,
Opp. MTNL Office, Powai, Mumbai - 400072