

MEGASTAR FOODS LTD.

Registered Office : Plot No. 807 Industrial Area Phase-2, Chandigarh-160 002
Works : Kurali-Ropar Road, Village Solkhian-140 108, Distt. Roopnagar, Punjab
Ph. : +91 1881 240401 (6 Lines) E-mail : info@megastarfoods.com



E: MEGASTAR/STK_EX_2122/19

To,

Date: 31 August 2021

The General Manager,
Department of Corporate Services
BSE Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

Security Code: 541352
Security ID: MEGASTAR

Sub:- Annual Report for the financial year ended 31 March 2021

Dear Sir/Madam,

We wish to inform you that the Tenth (10th) Annual General Meeting (AGM) of the Company will be held on Friday, 24 September 2021 at 11.00 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year ended 31 March 2021, which is being dispatched /sent to the members of the Company by the permitted mode.

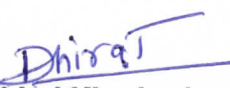
Further, the above information is also available on the Company's website at www.megastarfoods.com under the head of Investor.

Kindly take the same on your records

Thanking you
Yours faithfully,

For, MEGASTAR FOODS LIMITED





Dhiraj Kheriwal
Company Secretary & Compliance Officer

Encl:- A/a

Certified by: _____



2021



MEGASTAR FOODS LIMITED

ANNUAL REPORT 2020-21



INGRAINING A HEALTHY FUTURE



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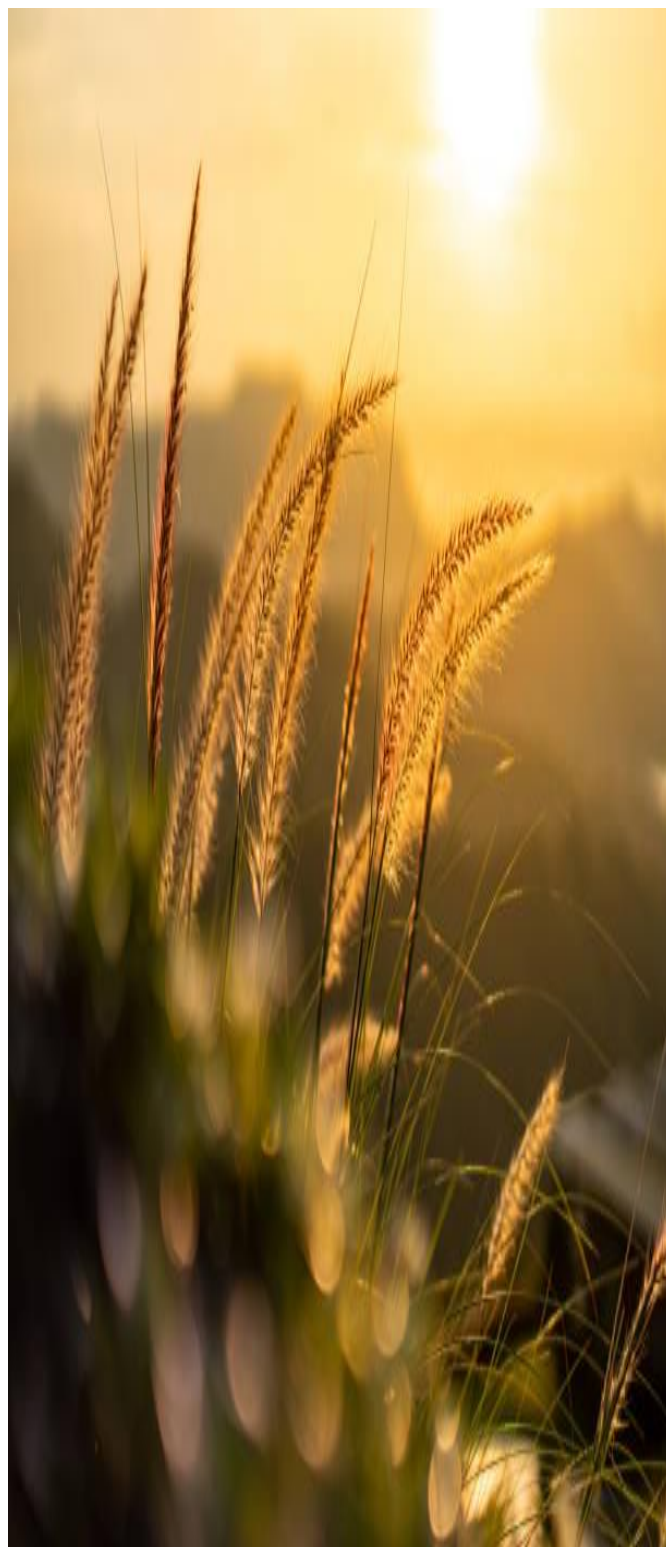
Consolidated Financial Statements

INGRAINING A HEALTHY FUTURE

Standing at today's critical times, the basic thought on everyone's mind is 'a healthy and safe future'.

A healthy nation is a happy one. A healthy nation means sustained economic growth and more opportunities for people. We believe that the health of our Company is intrinsically linked to the health and resilience of the people we deal with, the society we operate in and the mother nature. Keeping this in mind, we are geared up to be one of the brands in India that makes 'Healthier Future' a reality! We intend to do so by ingraining the health quotient in the staple diet of more than half of the world's population. From being a player in a niche agri-product category, we are now expanding our reach and capabilities to touch more consumers with our health and nutrition rich wheat-based product basket. We aim to be a vital player in the health industry, while making significant positive difference to the lives and economy of our country's backbone – the farming community!

It's often the simple things that leave the biggest mark. With our intent of delivering nutrition to our customers, we look forward to transforming the world as we know it! We look forward to ingraining a Healthy Future in every aspect of our business.



CORPORATE INFORMATION:-

BOARD OF DIRECTORS

Chairman & Managing Director	Mr. Vikas Goel
Whole Time Director	Mr. Vikas Gupta Mr. Mudit Goyal
Independent Non- Executive Director	Mr. Prabhat Kumar Mr. Amit Mittal Ms. Savita Bansal
Chief Financial Officer	Ms. Manisha Gupta
Company Secretary & Compliance Officer	Mr. Dhiraj Kheriwal

BOARD COMMITTEES

- Audit Committee**
 Mr. Amit Mittal – Chairman
 Mr. Vikas Goel – Member
 Mr. Prabhat Kumar – Member
- Nomination and remuneration Committee**
 Mr. Amit Mittal – Chairman
 Ms. Savita Bansal – Member
 Mr. Prabhat Kumar – Member
- Stakeholder Relationship Committee**
 Mr. Amit Mittal – Chairman
 Mr. Vikas Goel – Member
 Mr. Prabhat Kumar – Member
- Corporate Social Responsibilities Committee**
 Mr. Amit Mittal – Chairman
 Mr. Vikas Goel – Member
 Mr. Prabhat Kumar – Member
- Finance & Investment Committee**
 Mr. Vikas Goel – Chairman
 Mr. Amit Mittal – Member
 Mr. Vikas Gupta – Member

STATUTORY AUDITORS

M/s Avnish Sharma & Associates
 Chartered Accountants
 #49, Sushila Villa, Sector -7, Panchkula, Haryana -134109

SECRETARIAL AUDITORS

Kanwaljit Singh
 S.C.O. 64-65, 1st Floor Sector 17-A, Madhya Marg, Chandigarh -160017

INTERNAL AUDITORS

M/s Singh Puran & Associates,
 Chartered Accountant
 38, Ganesh Vihar, Baltana, Zirakpur (Punjab)

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
 D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi – 110020
 Tel No.: +91 11 64732681-88, Fax No.: +91 11 26812682
 Email: viren@skylinerta.com

REGISTERED OFFICE

Plot No.807, Industrial Area, Phase II, Chandigarh 160002
 Tel. No.: 01881-240401 (6 Lines),
 Website: www.megastarfoods.com
 E mail ID: cs@megastarfoods.com

BANKERS

HDFC Bank
 Industrial Area Phase -I, Chandigarh

WORKS

Kurali-Ropar Road, Village Solkhian-140108, Distt. -Roopnagar, Punjab





ABOUT MEGASTAR FOODS LIMITED

WHO WE ARE

- Incorporated on 28th November, 2011 and started its operations in the year 31st October, 2013 and listed on the SME platform of BSE Limited on 24th May, 2018, MEGASTAR FOODS LIMITED employs the best food processing technologies from around the world to manufacture & supply highly nutritious wheat flour to manufacturing industries throughout the globe.
- It is the most modern wheat processing plant in Northern India with a capacity of 100,000 MT annually. We ensure the highest standards of food safety & hygiene at all the levels of processing by means of constant testing and experimenting by our team of specialized experts.
 - The only plant in PUNJAB equipped with latest Buhler machinery.
- Here, in Megastar, we strictly follow the Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP) to ensure the high standards of quality & hygiene.



EVOLUTION

Operations dating back to 1964 as a small-time atta chakki.



Later ventured into grain trading and manufacturing of rice mill.



Our first plant was established in Baddi in 1993 by the name of Ganesh Flour Mill, and has the capacity of 60 MT per day.



Incorporated as a company in 2011.



Empanelled with first big- time MNC which happens to be one of the largest clients today.



Listed on the SME platform of BSE Limited on 24th May, 2018.



Through all these decades, we have been devotedly engaged in manufacturing and supplying highly nutritious, good quality, unadulterated wheat flour.

OUR VISION

- *Quality, Safety and Compliance of Products.
- *Develop technical competency within team and sustain certifications.
- *Develop Sustainable Manufacturing/ Supply model.
- *To be a part of the growing market.
- *To use renewable source of energy by installing 'Electrical Solar Panel' as an electricity supplying source for our unit.
- *To be a part of retail market with our own brand.
- *Our endeavour is to maintain an efficiently sound business in order to provide a secured future to our fellow employees while stressing on the continual improvement of our highly ranked products for a constantly enhanced customer satisfaction.



OUR AIM

- * Our aim is to grow relationships with our customers that we can serve successfully by providing them a point of difference, adding value and ultimately, providing profitable growth for both parties. Our customers are supported by a highly skilled, enthusiastic, can-do culture team throughout the whole business.
- * To contribute to local community through CSR initiatives.

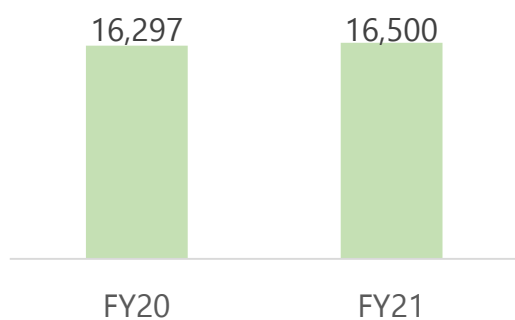


HOW WE ENHANCED VALUE

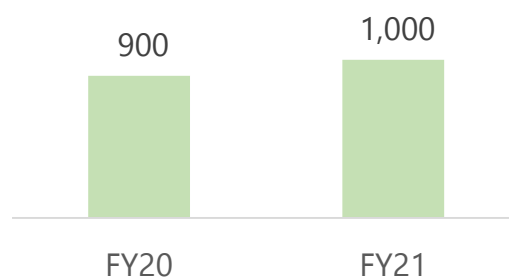
How Megastar Foods Limited profited from sustained business growth* (FY2019-20 versus FY2020-21)

in Lakhs

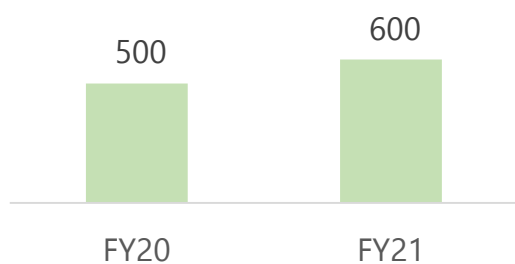
Revenue from Operation



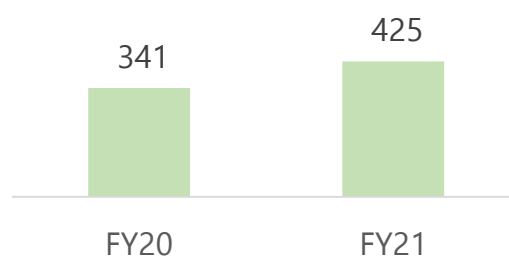
EBITDA



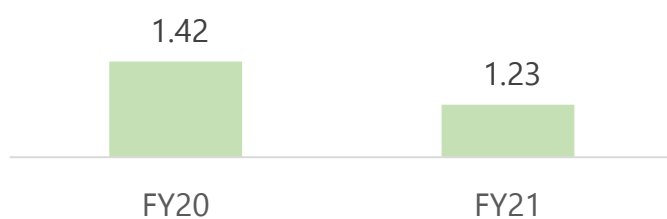
PBT



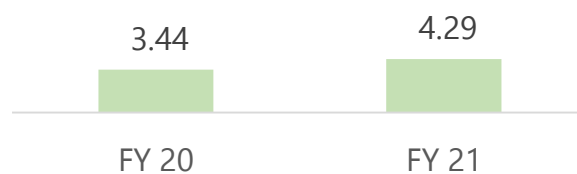
PAT



Current Ratio

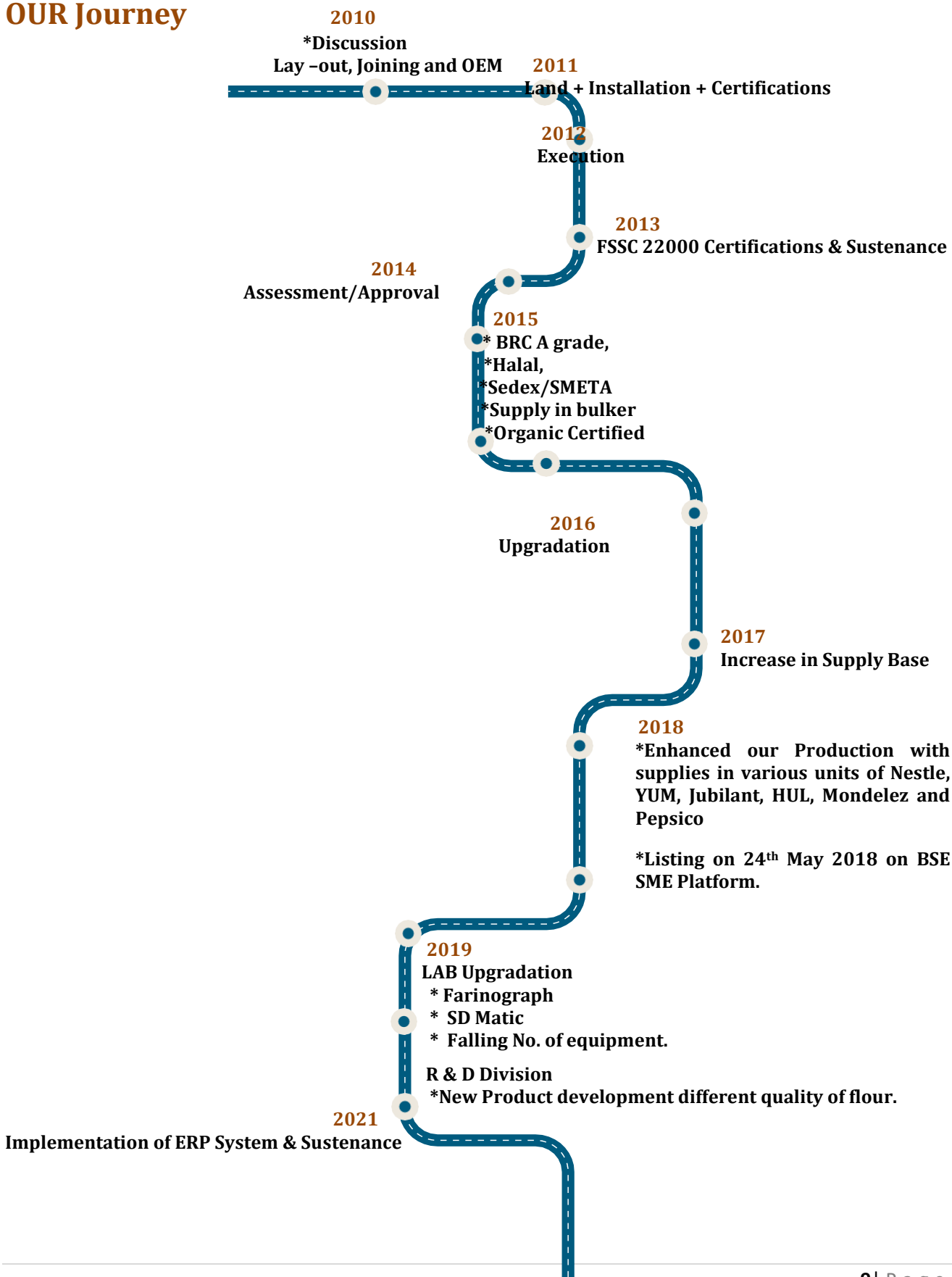


EPS



Since 2010

OUR Journey



Brief Profile of Board of Directors



Mr. Vikas Goel
Chairman & Managing Director
DIN:- 05122585

Mr. Vikas Goel aged 49 years, has been in this industry for more than 28 years. With his hands-on approach, Mr. Goel has directly overseen the operations of Megastar since its very inception.

He is playing a vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company.



Mr. Vikas Gupta
Whole Time Director
DIN:- 05123386

Mr. Vikas Gupta aged 45 years, has more than 18 years of experience in this industry.

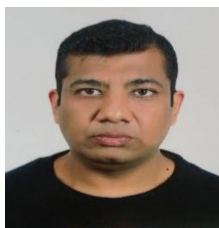
He holds a degree of Bachelor of Commerce and Inter passed certificate from ICAI. He currently heads production, HR and administration, as well as participates in business development.



Mr. Mudit Goyal
Whole Time Director
DIN:- 08099543

Mr. Mudit Goyal aged 27 years, is the Whole Time Director of the Company. He holds a degree of Master of Business Administration (MBA) from AMITY GLOBAL.

He has joined the company recently in 2018 and looks after the marketing operations of the company.



Mr. Amit Mittal
Non-Executive Independent Director
DIN:- 08099502

Mr. Amit Mittal aged 46 years, is the Non- Executive Independent Director. He holds a degree of Bachelor of Technology.

He has joined the Company in 2018 and he has constructive approach towards corporate governance and act as guidance to the Board on the Policy matters as well.



Mr. Prabhat Kumar
Non-Executive Independent Director
DIN:- 08099531

Mr. Prabhat aged 64 years, is the Non- Executive Independent Director. He has joined the Company in 2018.

He has vast experience of Indian food sector as he is retired in the capacity of Asstt. General Manager of Food Corporation Of India.

He possess considerable knowledge in the field of quality of food grain and procurement, scientific preservation and distribution of wheat & rice.



Ms. Savita Bansal
Non-Executive Independent Director
DIN:- 08099629

Ms. Savita Bansal aged 46 years, is the Non- Executive Independent Director. She has joined the Company in 2018. She holds a degree of Bachelor of Arts.

She has constructive approach towards corporate governance and act as guidance to the Board on the Policy matters as well.

OUR ESTABLISHED CLIENTELE





Chairman and Managing Director's Message



“We are laying a strong foundation by spearheading initiatives to achieve a prosperous future, inspired by the wisdom of our forefathers.”

Dear Shareholders,

It is my honour and privilege to address you all as the Chairman cum Managing Director of Megastar Foods Limited. At the very onset, I take this opportunity to express my deep gratitude and appreciation to all the stakeholders of the company, who have shown their trust and faith in the management over the past years.

I am pleased to share with you an update on your Company's performance for 2020-21. The year saw a challenging business environment with lower GDP growth and slowdown in consumption in the last phase of the year. The novel corona virus has affected not just human health but severely impacted businesses and the society at large. Against this backdrop, your Company has delivered competitive, profitable and responsible growth. Our growth fundamentals are in a good shape with gains in penetration and distribution.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

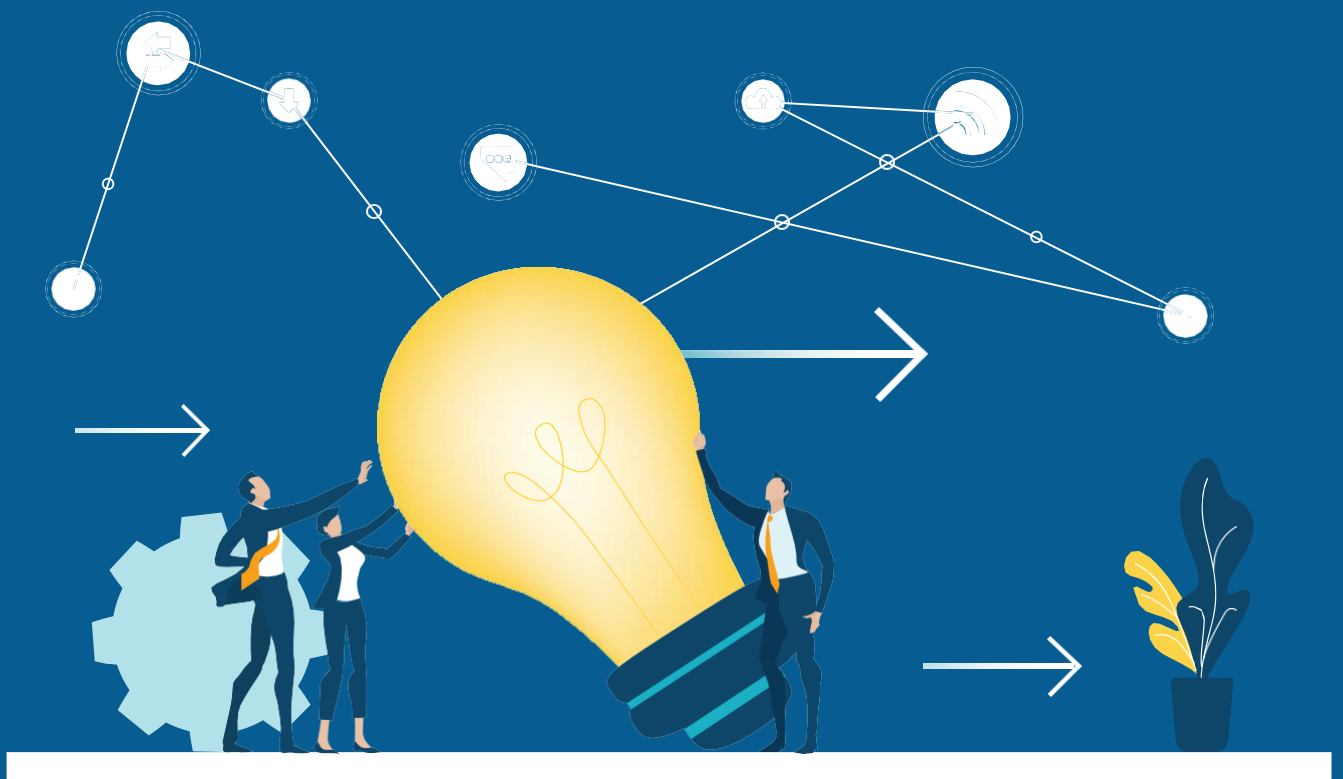
The management team of the company strongly feels that in the prevailing economy, business turnaround is the need of the hour and management is working with renewed focus and energy to improve our market share, reduce our cost base, and focus on the customer satisfaction.

I would like to thank our employees, bankers and other stakeholders for their hard work and commitment in this phase of Megastar Foods Limited.

Finally, I thank you for your continued trust, confidence and support.

Vikas Goel
Chairman & Managing Director

Statutory Reports





NOTICE OF 10th ANNUAL GENERAL MEETING

Notice is hereby given that the 10th (Tenth) Annual General Meeting (A.G.M.) of the Members of Megastar Foods Limited held on Friday, 24th September 2021 at 11.00 a.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), and the deemed venue for the AGM is Registered Office: Plot No. 807, Industrial Area, Phase-II, Chandigarh- 160002 to transact the following business:

ORDINARY BUSINESS:-

1. To consider, approve and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31 March 2021 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vikas Gupta (DIN: 05123386) who retires by rotation and being eligible, offers himself for re-appointment as a Director.

Date: 23.08.2021
Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

DHIRAJ KHERIWAL
Company Secretary



NOTES:-

1. In view of global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” read with General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, No.33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID -19” and General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as “MCA Circulars”) and SEBI vide its circular dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – COVID -19 pandemic” and circular dated January 15, 2021 (“SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Friday, 24th September 2021 at 11.00 a.m. (IST) and the deemed venue for the AGM is Registered Office: Plot No. 807, Industrial Area, Phase-II, Chandigarh- 160002.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
3. Members as on the cut-off date of Friday, 17 September 2021 shall only be entitled for availing the remote e-voting facility and e-voting facility during the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice for information purposes only and attend the AGM through VC/OAVM and shall not be entitled to any voting rights.
4. Corporate Members intending to send their authorized representative(s) to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a Certified True Copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf to the scrutiniser by email to kanwalcs@gmail.com. The authorized representative(s) shall enjoy all the rights of a Member for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC/ OAVM.
5. A person can be an authorized representative of more than one Body Corporate. In such a case, he is treated as more than one Member present in person for the purpose of the quorum.
6. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.



7. Additional Information required to be furnished under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards- 2 with respect of the Director(s)/Manager seeking appointment/re-appointment at the AGM has been furnished and forms a part of the notice and has been given in the explanatory statement. The director(s)/manager have furnished the requisite consents/declarations for their appointment/re-appointment.
8. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
9. We will be publishing a Public Notice by way of advertisement in Economics Times and Chandigarh kesari with the suitable details of the ensuing Annual General Meeting.
10. The Company has engaged the service of Central Depository Services (India) Limited, for assisting the Members for casting of votes by remote e-voting as well as the e-voting system on the date of the AGM and VC facility shall also be provided by CDSL.
11. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
12. Since the AGM is held through VC/ OAVM, the Route Map is not annexed in this Notice.
13. The facility of participation at the AGM through VC/ OAVM will be made available to maximum 1000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. **Electronic Dissemination of Notice & Annual Report:-** Soft copy of this Annual Report and the AGM Notice are being sent to those Members whose e-mail IDs are registered with the Company/Depository Participant(s). Members who have not registered their e-mail IDs may get the same registered by sending an e-mail to the Company's Registrar, providing necessary details like Folio No./DPID, Client ID, name and address, scanned copy of the share certificate (front and back) or Client Master Copy, self-attested scanned copy of PAN card and AADHAAR Card.
15. In accordance with the MCA Circulars and relaxation granted by SEBI Circular, hard copy of the Annual Report and the AGM Notice will neither be posted nor made available through courier / postal delivery. Members may also note that the Annual Report and the AGM Notice are available on the Company's website: www.megastarfoods.com Additionally, these can be accessed on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in Physical Form can submit their PAN details to the Company.



17. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Tuesday, 21 September 2021 at 09.00 A.M. and ends on Thursday, 23 September 2021 at 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 17 September 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30



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

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

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

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



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



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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance latest by 20 September 2021, mentioning their name, demat account number/folio number, e-mail id, mobile number at cs@megastarfoods.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance latest by 16 September 2021, mentioning their name, demat account number/folio number, e-mail id, mobile number at cs@megastarfoods.com. These queries will be replied to by the Company suitably by e-mail.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@megastarfoods.com/ viren@skylinerta.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

18. **Inspection of Documents:-** The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to cs@megastarfoods.com.
19. M/s. Kanwaljit Singh (COP No. 5870 and M. No. 5901), Company Secretaries, Chandigarh, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.
20. During the 10th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 10th AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 10th AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/ OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the 10th AGM.
21. The Scrutinizer shall after the conclusion of e-voting at the 10th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 10thAGM, who shall then countersign and declare the result of the voting forthwith.



22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.megastarfoods.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Date: 23.08.2021

Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

DHIRAJ KHERIWAL
Company Secretary

Registered Office:

Plot No. 807, Industrial Area Phase -2,

Chandigarh -160002

CIN: L15311CH2011PLC033393

Ph.: +91 1881240401

E-mail: info@megastarfoods.com

Website: www.megastarfoods.com



ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:

As required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, the particulars of Directors seeking appointment/re-appointment are as under:

Particulars	Mr. Vikas Gupta (DIN: 05123386)
Designation	Whole Time Director
Age and DOB	45 Years, 30-01-1976
Qualification	Bachelor of Commerce and Inter passed certificate from ICAI
Date of First Appointment on the Board	28 th November 2011
Experience and Expertise	Mr. Vikas Gupta has a profound experience of more than 18 years in Wheat Flour. Mr. Gupta has directly overseen the production, HR and administration, as well as participates in business development since its very inception. He is responsible and authorized for ensuring that the processes needed for the management system are established, implemented & maintained.
Numbers of Board Meetings attended during the year FY 2020-21	5
Directorship and Committee membership held in other companies as on 31 March 2021	Directorship:- 1. Megapacific Ventures Private Limited Committee Membership:- 1. Finance & Investment Committee
Inter-se relationships between Directors & Key Managerial Personnel	Mr. Vikas Gupta does not have any pecuniary relationship with the Company. Mr. Vikas Gupta belongs to the Promoter Group.
Shareholding in the Company as on 31 March 2021	21,39,900 Equity Shares
Terms & Conditions for re-appointment	He is a Whole Time Director of the company and is drawing remuneration as per special resolution passed in previous AGM and the Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company's website i.e. www.megastarfoods.com
Details of Remuneration Last Drawn	Remuneration last drawn during Financial Year 2020-2021 is Rs. 49.00 Lacs
Details of Remuneration Sought to be paid	Remuneration is decided by Board of Directors on the recommendation of Nomination and Remuneration Committee which is as per the Nomination and Remuneration Policy of the Company



**MANAGEMENT
DISCUSSION AND ANALYSIS
REPORT**



The Management of **MEGASTAR FOODS LIMITED** is pleased to present its Analysis Report covering its overall performance and outlook.

Wheat flour currently represents one of the most popular food ingredients used across the globe. It offers health benefits such as lowering cholesterol levels, improving metabolism, controlling obesity and regulating blood sugar levels. Wheat flour is used extensively owing to the presence of gluten, a protein that provides strength and elasticity to the dough as well as adds to the texture of baked products. Factors such as population growth, increasing disposable incomes, rising consumption of bakery products and changing lifestyles have further added to the global demand for wheat flour.

Wheat flour is used as the main ingredient in several bakery and fast food products such as bread, noodles, pasta and breakfast cereals. Growth in the demand for these products has led to an escalation in the overall sales of wheat flour across the globe. Moreover, wheat flour is inexpensive as compared to the flour made from other grains on account of which it is easily available to consumers belonging to all socio-economic groups.

INDUSTRY STRUCTURE AND DEVELOPMENTS IN INDIA

The food processing industry in India is estimated to reach \$482 billion by 2025. With the increasing use of flour in bakery products and the ease of availability of raw materials, there is acceleration in the flour market. Furthermore, the launch of innovative products has fuelled the growth in the market.

Wheat flour is the largest product type in the segment which is widely consumed due to health benefits and dietary fibers. It has the highest share in the market and with the advances in technology; there is a significant improvement in the quality of flour. There are a number of wheat flour suppliers in the country which cater to the growing demand for wheat. However, it is important to check the quality and consistency of the flour offered by the mills.

The capital cost of setting up wheat flour manufacturing plant is very high as practically all equipment is made in high grade stainless steel, power requirement is also very high as large aeration system and large volume of liquids are handled using high power pumps automated control systems, separation and packing systems.

India's wheat consumption in FY 2021/2022 is forecast at 97 MMT, higher than last year's estimated consumption of 96.6 MMT (includes 11 MMT of 'free' wheat under COVID-19 food relief programs). While the COVID-19 relief programs ended in November 2020, the government is likely to continue to offload excess government grain (wheat and rice) stocks procured under the minimum support price (MSP) program at subsidized prices to reduce government grain stocks. Wheat use for feed and residual is forecast higher at 7.0 MMT compared to 6.5 MMT last year on expected higher supplies of spoiled government wheat stocks.

PRODUCTION

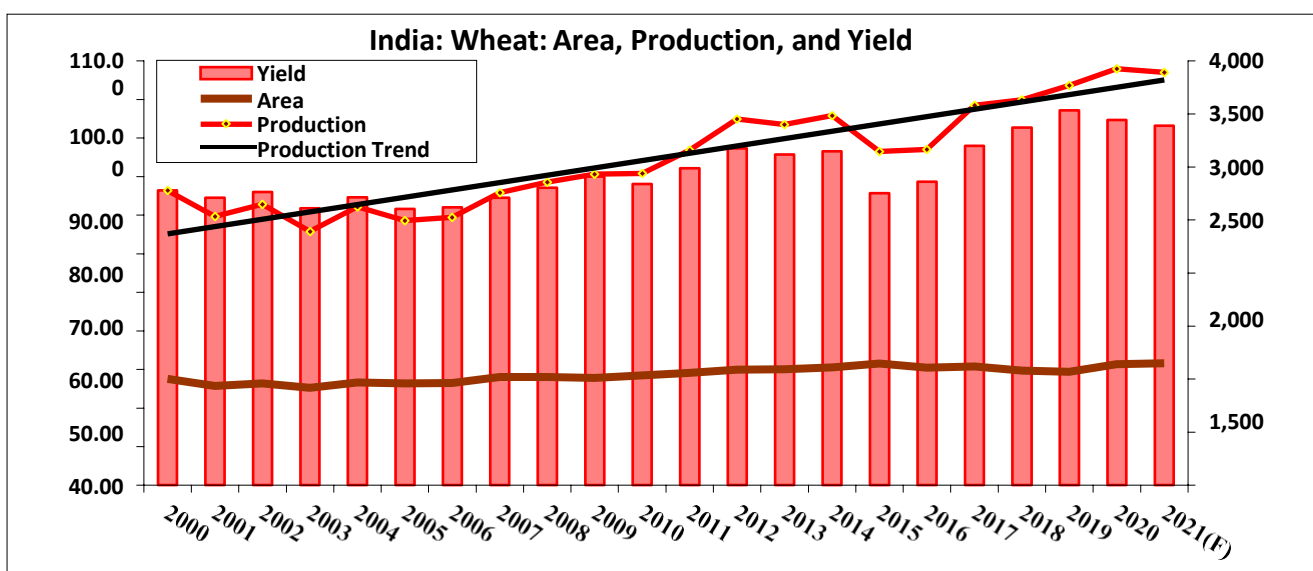
MY 2021/2022 Outlook:- India is heading for its fifth consecutive bumper wheat harvest in the upcoming marketing year thanks to favourable weather conditions in the major wheat growing areas. Assuming normal weather conditions through the harvest (April-May), FAS New Delhi (Post) forecasts marketing year (MY) 2020/2021 (April-March) wheat production at a near-record 107 million metric tons (MMT) from 31.6 million hectares, compared to last year's record harvest of 107.9 MMT, on an expected lower yield from last year's record yield (extended winter until mid-April).

Area:- Above normal 2020 monsoon rains, coupled with its timely withdrawal in the last week of September, provided ideal planting conditions for wheat. The steady increase in the Indian government’s minimum support price (MSP) for wheat, combined with aggressive MSP procurement operations last year during the coronavirus (COVID-19) pandemic lockdown period (April-June 2020) encouraged farmers to continue planting wheat in the rabi (winter planted) season1.

Yield:- The early onset of winter in December, with low temperatures, supported the establishment of wheat seedlings. Well-distributed rains throughout December-January came in handy at the critical growth stages (i.e., during vegetative growth, tillering, flowering, and panicle initiation) supporting the development of the standing crop. There have been no major reports of pests or disease outbreaks in the major growing areas. However, the temperature has risen since the first week of March 2021, suggesting an early onset of summer. This raises concerns of terminal heat stress to the crop during the milking/grain filling stages, which could potentially lower yields by 5-10 percent in late planted wheat (November-December) in central India.

Assuming normal weather conditions through the harvest (April-May), Post forecasts marketing year (MY) 2021/2022 wheat production at 107 MMT2 on expected slightly lower yield of 3.38 metric ton (MT)/hectare, compared to last year’s record 3.44 MT/hectare. Nonetheless, any abnormal increases in temperature (with daytime temperature above 40 degrees Celsius) in April (during the grain filling/maturity stage) and/or hailstorms during the harvest will affect yield prospects, lowering production from the forecast level.

Production Trend and Future Challenges:- Indian wheat production has exceeded trends in the last five years on higher planting and productivity. Production is up due to the steady increase in the government’s MSP, expansion of area planted with new, higher yielding varieties, and generally favorable weather conditions.



Source: Ministry of Agriculture and Farmers Welfare and FAS New Delhi forecast for 2021 (MY 2020-2021).

Wheat is the preferred crop in irrigated areas in the wheat producing states due to increases in the government’s MSP prices. Wheat is favored because of its relatively stable yields when compared to other competing *rabi* (winter planted) crops (e.g., corn, pulses, oilseeds, and other coarse grains). Wheat acreage consequently over the last decade has remain stable at between 29-31.6 million hectares.



Despite the back-to-back bumper harvest, the wheat crop is vulnerable to climate change, particularly the 'earlier-than-normal' onset of summer (terminal heat), and unseasonal heavy rains affecting the crop at the grain filling/maturity stages (March-April). These are concerns for Indian policy makers and researchers alike. The Indian Council of Agricultural Research (ICAR) and various state agricultural universities (SAU) are now involved in developing response mechanisms through agronomic management (i.e., early planting) and technological advances (e.g., short duration varieties) in attempts to mitigate potential climate change risks.

In northern India, over-exploitation of ground water due to flood irrigation is causing problems of soil salinity and declining water tables in the wheat growing belts. Researchers report that farmers may be forced to switch to less water intensive crops like corn, pulses, or vegetables soon. North-western wheat growing areas have also reported sporadic incidence of yellow rust in the last few years, but there has been no known incidence of Ug99, a wheat rust of global concern.

The wheat research program under the ICAR\National Agriculture Research System (NARS) continues to work on developing location-specific wheat varieties with traits addressing crop duration, varied soil conditions, rising yield potential, and improved grain qualities through traditional breeding methods. Biotechnology applications in wheat are limited to experimental marker-assisted breeding trials designed to develop resistance to biotic (i.e., diseases, insects, other pests) and abiotic (i.e., temperature, precipitation, and relative humidity, among others) stresses.

Durum Wheat:- India produces a small quantity of durum in the central states of Madhya Pradesh, Rajasthan, and Maharashtra, mostly for local food processors. Sources report that India is likely to produce about 1.7 MT of durum wheat in MY 2021/2022, compared to an estimated 1.6 MMT in MY 2020/2021 on higher planting. With the import of high-quality imported wheat (APW) for blending and processing coming to a halt since 2019, durum wheat producers are realizing a 20-25 percent price premium over common wheat.

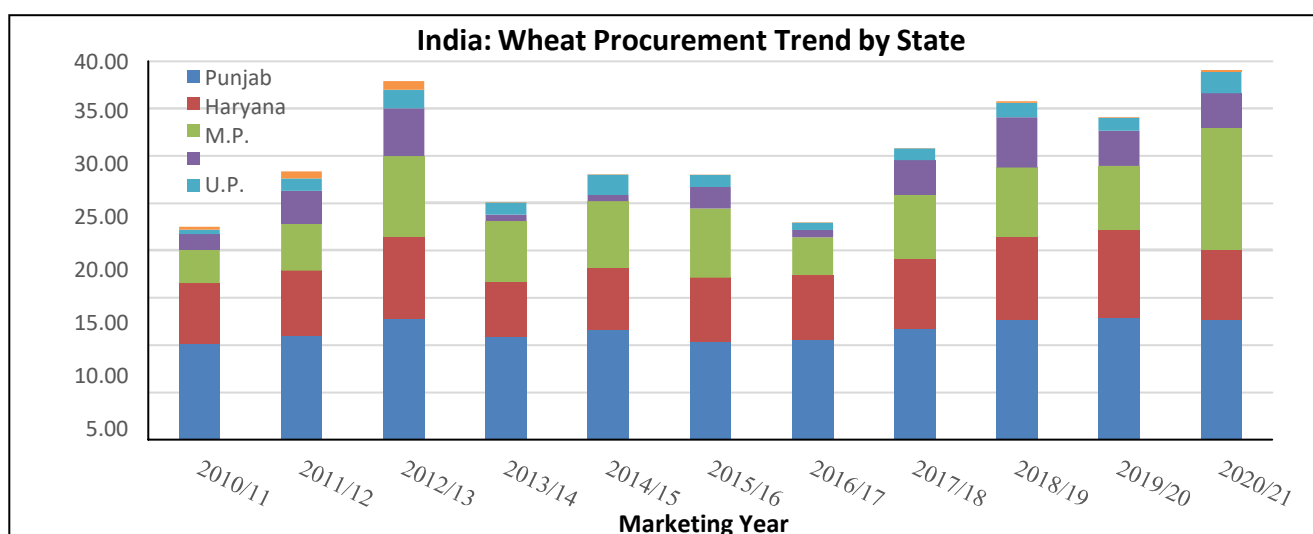
CONSUMPTION

India's wheat consumption in MY 2021/2022 is forecast at 97 MMT, marginally higher than last year's estimated consumption of 96.6 MMT (includes more than 11 MMT of 'free' wheat under COVID-19 food relief programs). While the COVID-19 relief programs ended in November 2020, the government is likely to continue to offload excess government grain (wheat and rice) stocks procured under the MSP program at subsidized prices to reduce government grain stocks to manageable level. Wheat use for feed and residual is forecast higher at 7.0 MMT compared to 6.5 MMT last year on expected higher supplies of spoiled government wheat stocks.

Wheat is the staple food in the traditional wheat growing northwest and central India. It competes with rice in wheat non-growing regions in south and east India. Households, local restaurants, and eateries account for about 80 percent of the wheat domestically consumed in India. Some wheat is used for processed food products such as raised breads, biscuits (cookies), and other bakery items (about 12-15 percent). There is also a small market for high-quality wheat (4-5 MMT) for western-style pasta, and baking/confectionary foods, though this latter use category was adversely affected by the COVID-19 pandemic outbreak. The organized milling sector includes some 1,300 medium-to-large flour mills with a milling capacity of about 25-28 MMT, per year. Market sources report that most mills are operating at 55-60 percent of their capacity, and process about 15-16 MMT of wheat, annually. Much of the wheat produced is milled by the unorganized sector, that is, by small-scale family-owned mills.

Feed Use:- Spoiled wheat not deemed fit for human consumption, whether government-held or open market stocks, is used for animal feed - mainly for dairy cattle and buffaloes. Farmers at the household-level will use inferior quality wheat, and wheat bran from the flour milling industry, to feed lactating cows and buffaloes. Due to the likely higher spoilage of ‘more-than-manageable’ government-held wheat stocks, Post expects a higher use of wheat for animal feed; MY 2021/2022 wheat consumption for feed and residual is forecast at 7.0 MMT, compared to 6.5 MMT last year.

Government Procurement and Sales:- Back-to-back record harvests, high government MSP, and COVID-19 market disruptions supported MY 2020/2021 government wheat procurement. Volumes reached a record 38.9 MMT, 14 percent over the previous year’s level. The government is setting a MY 2021/2022 procurement target of 42.7 MMT, but actual procurement may exceed 44 million metric tons.

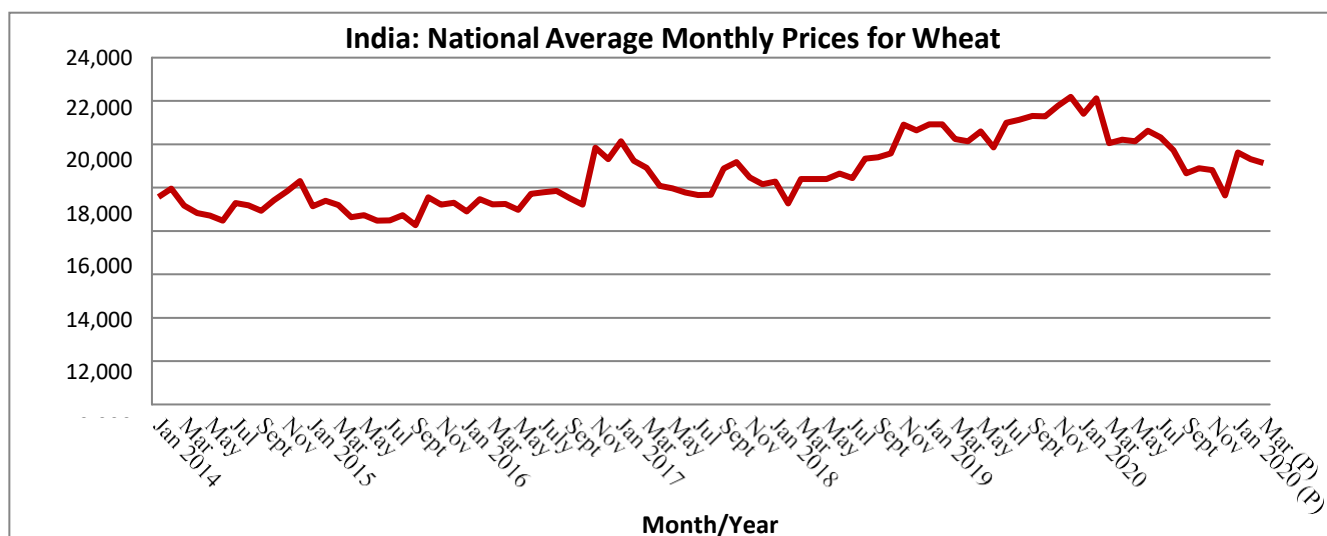


Source: Food Corporation of India, FAS New Delhi office research.

Procurement is set to be higher than last year in most of the wheat growing states given low market prices compared to the MSP with the Food Corporation of India’s (FCI) current covered storage capacity estimated at 85 MMT, total wheat and rice stocks by June 2021 will swell above 105 MMT, setting a record level. As a result, some 20 MMT of procured wheat stocks will likely to be kept under open storage structures (covered by tarpaulin sheets on wood plinth), making them vulnerable to losses due to seasonal monsoon rains, temperature fluctuations, rodents/pests, and pilferage. The government will be under pressure to liquidate its grain stocks through various programs, bringing them down to more manageable levels.

The Indian government distributes around 24 MMT of wheat per annum under the National Food Security Act (NFSA) through the PDS, and an additional 2-3 MMT through other food security programs. Government wheat sales under the open market sale scheme (OMSS) to private traders are estimated at 2.0 MMT in Indian fiscal year (IFY) 2020/2021 (April-March) compared to 3.4 MMT in IFY 2019/2020 based on weak demand due to the supply of ‘free’ wheat under relief programs.

Prices:- In MY 2020/2021, domestic prices have been on the downward trend for most of the season on sufficient domestic supplies and subsidized government wheat sales.



Source: AgMarketNet, Ministry of Agriculture and Farmers Welfare, FAS New Delhi office research.

Spot prices in the first week of March 2021, in the wheat producing states range from India rupee (INR) 16,600 (\$228) to INR 18,500 (\$254)/MT, well below the MSP of INR 19,750 (\$271)/MT, set for MY 2021/2022. Traders see prices being weak this next season which would force the government to make a record MSP procurement, and then dispose of the 'burdensome' wheat load at subsidized prices in the latter part of the marketing season.

TRADE

Imports:- India's import duty of 40 percent precludes any major imports of wheat in MY 2020/2021. Imports of wheat and wheat products in MY 2021/2022 are forecast at 25,000 MT, mostly of western-style pastas and baking/ confectionary foods products for the high-end consumer market.

Exports:- Provisional official figures from the Directorate General of Commercial Intelligence (DGCIS) for MY 2020/2021 estimate wheat (1.3 MMT) and wheat product exports in April 2020 to January 2021 at 1.6 million metric tons. Indian wheat is likely to be export-competitive only in the neighbouring markets due to relatively firm MSP-driven domestic prices compared to competing origins. Assuming continued weak domestic prices, and the current price parity for Indian wheat with those of other origins, MY 2021/2022 wheat exports are forecast at 2.0 MMT, heading primarily to Nepal, Bangladesh, and Sri Lanka, along with wheat flour exports to traditional African and Middle Eastern markets. Based on TDM data, MY 2019/2020 imports are revised higher to 26,000 metric tons.

STOCKS

Post forecasts higher government wheat supplies (with higher opening stocks along with forecast record procurement) are likely to push Indian government-held wheat stocks volume up in MY 2021/2022, with ending stocks forecast at 28.5 million metric tons. Estimates of privately held wheat stocks are not available. These are, however, not expected to exceed pipeline stocks of one-month and are unlikely to be higher this year compared to last year. The PS&D table does not include privately held stocks numbers.

INDIAN FARMERS EXPECT TO HARVEST RECORD WHEAT, RICE CROPS THIS YEAR



India is expected to produce a record 108.75 million tonnes of wheat this year, the farm ministry said in its third forecast for the crop year to 2021, marginally lower than its previous estimate of 109.24 million tonnes.

The farm ministry forecast this year's total grains output to be at a record 305.44 million tonnes, up from its previous estimate of 297.5 million tonnes.

Rapeseed production is estimated to be at 9.99 million tonnes this year, down from the previous forecast of 10.43 million tonnes, the farm ministry said. Similarly, soybean output is expected to be at 13.41 million tonnes, lower than the 13.71 million tonnes estimated in February.

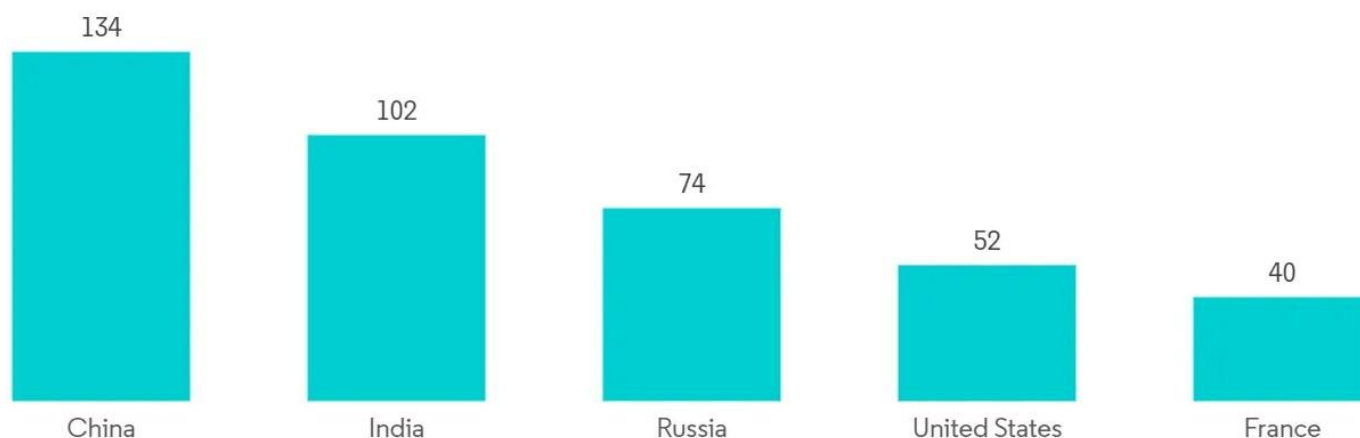
The farm ministry pegged peanut production to be at 10.12 million tonnes in 2020/21, lower than its earlier estimate of 10.15 million tonnes.

INCREASED PRODUCTION ACROSS COUNTRIES

Wheat is one of the principal cereal grains produced and consumed globally. It covers a land area more than any other commercial crop and continues to be the most important grain food source for human consumption. This is likely due to the fact that wheat can be cultivated in many areas with heterogeneous types of weather, elevation, or soil. According to the Food and Agriculture Organization, the global wheat production in 2018 accounted for 734 million metric ton, and the global area harvested under wheat in 2018 accounted for 214 million hectares. In 2019, global wheat production accounted for 765.8 million metric ton, growing by 3.9% compared to the previous year. However, the total area harvested under wheat showed a flat trend pattern and stood at 215.9 million hectares.

The countries with the highest volumes of wheat production in 2019 were China (134 million metric ton), India (102 million metric ton), and Russia (75 million metric ton), together accounting for 41% of the global production. These countries were followed by the United States, France, Canada, Ukraine, Pakistan, Australia, Turkey, Germany, and Argentina, which together accounted for a further 34%.

Global Wheat Market Production Volume in million metric ton, By Country, 2019



Source: FAO



INDIA TO EXPORT WHEAT TO AFGHANISTAN AND LEBANON

India will be exporting around one lakh tonnes of **wheat** to Afghanistan and **Lebanon** under government to government (G2G) arrangement. The country is expecting a record wheat production of 106.21 million tonne this year - 2.61 million tonnes more last year's out put.

"Nafed has been asked to export 50,000 tonnes to Afghanistan and 40,000tonnes to Lebanon through diplomatic route," said a senior agriculture department official.



PERFORMANCE

The performance of the Company showed upward trend as compared to the previous years. The company recorded highest volumes in terms of sales revenues and net profits.

Your Company planned and implemented expansion in automation of its various business processes in operational levels. All this will benefit the Company by reducing human intervention in operational processes, accurate product analysis for speedy and efficient results. We largely strengthened our supply chain and synchronised the delivery of our products with the advanced technological requirements of our bulk corporate buyers.

OPPORTUNITIES

The Company has well- equipped automated plant which gives the opportunity to attract Multinational Companies and Corporate buyers as they get the best quality products as per food standards. Due to various Certifications the Company also get opportunity to get bulk orders from Corporate as these ensure that the Company is meeting food quality standards that are required by them. The Company has hedge over other competitors due to procurement of raw material in large quantity i.e. best quality at minimum cost. It also has workforce which distinguish from other in various aspects such as in structure of management, capability and talent of workforce.

THREATS

There are various threats to the Company such as the market Competitors, which indulge in cost cutting of the product, which forces the Company to sell its product as low cost. This also led to loss to the Company. On the other hand, Company's raw material is based on agro product which is affected by calamities, which deteriorate the quality of the product, which is the major threat to the Company.





OUTLOOK

After the initial years of commercial production we are selling about 2/3rd of our product to local vendors and 1/3rd to corporate buyer now the scenario has got reversed now we are selling 2/3rd of our total production to corporate buyers even after increasing our installed and utilised capacity. We have successfully obtained international certification which paves the way for international trade, which provide us capability to export to European countries and pave ways for export to United States.

RISK AND CONCERN/RISK MANAGEMENT

History teaches that you cannot move forward effectively and with purpose until you truly understand what happen in the past. Though informal our investment committee reported certain key areas which needed attention for allocating funds for best risk adjusted returns. To reduce our dependency for procurement of raw material we heavily invested in working capital. Due to dependency on sole government agency for procurement of raw material we needed very heavy investment in working capital to fetch the opportunities to procure raw material from other states. To overcome the risk of procurement and cost of procurement of the raw material we invested substantial part of our issue proceeds towards working capital.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control procedure for the purchase of stores, raw material including components, procurements fixed and other assets and for the sale of goods system is managed by audit committee with the recommendation of the top management and timely reviews and recommendations are considered to strengthened the internal control system to ensure that the system is operating effectively and consistently throughout the period.

HUMAN RESOURCES

The Company has always strived to attract the best talent, provide invigorative work environment, retain achievers and outstanding performers and to inculcate in the employees loyalty for the organization. Raising employees' involvement in the decision making process and grooming them for leadership positions has been an ongoing process. Industrial relations and work atmosphere remained cordial throughout the year with sustained communication and engagement with work force through various forums. Employees' strength as on 31st March, 2021 was 100.



OTHER DISCLOSURES

PARTICULARS	2021	2020
Debtors turnover ratio	11.11	11.67
Inventory turnover ratio	5.13	10.75
Interest coverage ratio	4.27	2.96
Current ratio	1.23	1.42
Debt Equity Ratio (including Financial Liabilities)	2.25	1.11
Operating Profit Margin (%)	5.00	4.79
Net Profit Margin (%)	2.57	2.09
Return On Net worth (%)	16.13	15.40

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projection, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Date: 23.08.2021
Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

VIKASGOEL
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386



Directors' Report

The Directors are pleased to present the 10th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31 March 2021.

GENERAL OUTLOOK OF THE COMPANY

Our Company is having state of the art modern machinery at its wheat processing plant in Punjab, India, with an installed capacity of 84000 MT. It has been our constant endeavour at all the levels to ensure processing of wheat with quality, undertaking testing and exploring new possibilities by our team of highly skilled people. It has been our hallmark in our organization to strictly follow the Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP) to ensure the high standards of food safety, quality & hygiene. At present we are catering primarily to MNC's in India and also exporting some of our products to United Nations Organization, Europe, United States & Middle East.

Our company's main aim is to maintain and deepen relationships with our customers to which we can serve successfully by providing them a point of difference, adding value and ultimately, providing profitable growth for both parties. Our customers are supported by a highly skilled, enthusiastic, can-do culture team throughout the whole business. Our endeavour is to maintain an efficiently sound business in order to provide a secured future to our fellow employees while stressing on the continual improvement of our highly ranked products for a constantly enhanced customer satisfaction.

For the financial year ended on 31 March 2021 the company has earned a net profit of Rs. 425.10 Lakhs as compared to the net profit of Rs. 340.39 Lakh, for the previous year ended on 31 March 2020.

1. FINANCIAL PERFORMANCE

The financial position of the company for the financial year ended on 31 March 2021 is summarised below:

(Rs. in Lacs, except as stated)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	16,529.51	16,296.64	16,529.51	16,315.96
Other Income	110.31	8.89	106.07	6.34
Total Revenue	16,639.82	16,305.53	16,635.58	16,322.31
Profit Before Tax, Depreciation and Finance Cost and extraordinary items	1,003.83	925.21	997.42	922.67
Finance Cost	(247.08)	(325.22)	(247.09)	(325.22)
Depreciation and Amortization expenses	(161.25)	(126.26)	(161.25)	(126.26)
Prior period expenses	(0.46)	(0.14)	(0.46)	(0.14)
Profit before Tax	595.04	473.59	588.62	471.06
Tax	(169.94)	(133.07)	(169.94)	(133.20)
Profit After Tax	425.10	340.39	418.69	337.85
Earnings Per Share:				
Basic	4.29	3.44	4.23	3.41
Diluted	4.29	3.44	4.23	3.41



2. OPERATIONS

Standalone

Revenue from operations for the year ended 31 March 2021 stood at Rs. 16,529.51 Lakhs as against Rs. 16,296.64 Lakhs for the previous year. Profit after tax for the year ended 31 March 2021 was Rs. 425.10 Lakhs and EPS is Rs. 4.29/- per share as against a net profit and EPS of Rs. 340.39 Lakhs and Rs. 3.44/- per share respectively for the previous year.

Consolidated

On Consolidated basis, the Revenue from operations for the year ended 31 March 2021 stood at Rs. 16,529.51 Lakhs as against Rs. 16,315.96 Lakhs for the previous year. Profit after tax for the year ended 31 March 2021 was Rs. 418.69 Lakhs and EPS is Rs. 4.23/- per share as against a net profit and EPS of Rs. 337.85 Lakhs and Rs. 3.41/- per share respectively for the previous year.

3. DIVIDEND

Your Directors have decided to plough back the earnings in the growth of business and for this reason, have decided, not to recommend any Dividend for the year under review.

4. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.

During the financial year ended 31 March 2021, no entity became or ceased to be the Subsidiary, Joint Venture or Associate of the Company.

5. TRANSFER TO RESERVES

Entire amount of Net Profit of Rs. 425.10 Lakhs for the financial year 2020-21, has been transferred to Profit and Loss Surplus account, which appears under the head "Reserves and Surplus." No amount has been transferred to any other reserves.

6. SHARE CAPITAL

The authorised share capital of the company at the end of the Financial Year 2020-21 was Rs. 15,00,00,000/- comprising of 1,50,00,000 equity shares of Rs. 10/- each and the paid up capital was 9,90,37,000 divided into 99,03,700 equity shares of Rs. 10/- each. There were no changes in the share capital of the company during the financial year 2020-21. There were no instance of bonus issue, right issue, ESOP, buy back of share or issue of shares with differential voting rights during the year.

7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and till the date of this Report.



8. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in nature of business of the Company during the financial year 2020-21.

9. CASH FLOW STATEMENT

The Cash Flow Statement for the financial year ended 31 March 2021 prepared in accordance with accounting standard -3, 'Statement of Cash Flows' is attached and forming part of the financial statements of the Company.

10. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company familiarizes its Directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. Presentations are regularly made at the meetings of the Board and its various committees on the relevant subjects. All efforts are made to keep Independent Directors aware. The familiarization of Independent Directors may be accessed on the Company's website www.megastarfoods.com

11. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has One Wholly owned subsidiary, Megapacific Ventures Private Limited. There are no Associate Companies within the meaning of Section 2(6) of the Companies Act, 2013 and no joint venture companies. Further there has been no material change in the nature of business of the Subsidiaries during the financial year 2020-21.

The Consolidated Financial Statements of the Company for the financial year 2020-21 are prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act, and SEBI Listing Regulations. The Consolidated Financial Statements have been prepared by consolidating the audited financial statements of the Company and its Subsidiaries. Further, pursuant to the proviso of sub section (3) of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 a separate statement containing the salient features of the financial statements of Subsidiaries of the Company in the prescribed form AOC-1 is attached as '**Annexure 1**' and forms part of this report.

The Financial Statements of the Subsidiary Companies and related information are also available for inspection by the members at the Registered Office of the Company during business hours on all days except Sunday and holiday upto the date of Annual General Meeting ("AGM") as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the Consolidated Financial Statements, Financial Statements of Subsidiaries and all other documents are also available on the Company's website www.megastarfoods.com under the link Investors.

12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board Composition

As on 31 March 2021, the Company's Board has a strength of 6 (Six) Directors including 1 (One) Woman Director. The Chairman of the Board is an Executive Promoter Director. The composition of the Board is as below:-

Category	Number of Directors	% to Total Number of Directors
Executive Directors	3	50
Independent Non-Executive Directors	3	50



The detailed section on 'Board of Directors' is given in the 'Report on Corporate Governance' forming part of the Annual Report.

During the year, there is no change (appointment or cessation) in the office of Directors during the year.

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all Directors except Independent Directors are liable to retire by rotation. The Independent Directors of Company holds office for 5 (Five) consecutive years from 04 April 2018 to 03 April 2023.

Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the criteria of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics laid down for the Board of Directors, Senior Management Personnel and Other Employees.

Retirement by rotation and subsequent re-appointment

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all Directors except Independent Directors are liable to retire by rotation. Accordingly, Mr. Vikas Gupta (DIN 05123386), Whole Time Director of the Company, being the longest in the office amongst the Directors, liable to retire by rotation, retire from the Board by rotation this year and being eligible, has offered his candidature for re-appointment. This shall not constitute a break in his office as the Whole Time Director of the Company.

Brief Resume of the Directors being appointed/re-appointed

As required under Regulation 36 of the SEBI Listing Regulations, the brief resume of the Director being re-appointed, the nature of their expertise in specific functional areas, names of Companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding, etc. are forming part of the Notice calling AGM of the Company.

The Ordinary Resolutions for the above re-appointment is included in the Notice calling AGM of the Company. The Board recommends the re-appointment of Mr. Vikas Gupta at the ensuing AGM of the Company.

KEY MANAGERIAL PERSONNELS

The details of Key Managerial Personnel's (KMPs) of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, read with rules framed thereunder, are as follows:-

S. No.	NAME	DESIGNATION	DATE OF APPOINTMENT
1.	Mr. Vikas Goel	Chairman & Managing Director	28.11.20211
2.	Mr. Vikas Gupta	Whole Time Director	28.11.20211
3.	Mr. Mudit Goyal	Whole Time Director	31.03.2018
4.	Mr. Amit Mittal	Non-Executive Independent Director	04.04.2018
5.	Mr. Prabhat Kumar	Non-Executive Independent Director	04.04.2018
6.	Ms. Savita Bansal	Non-Executive Independent Director	04.04.2018
7.	Mr. Dhiraj Kheriwal	Company Secretary	16.03.2021
8.	Mr. Manisha Gupta	Chief Financial Officer	12.02.2020



During the year, Mr. Dhiraj Kheriwal appointed as the Company Secretary & Compliance Officer w.e.f. 16.03.2021 in place of Mr. Robin Kumar who resigned from the office of Company Secretary & Compliance Officer w.e.f. 20.01.2020.

13. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as on 31 March 2021, the Audit Committee of Megastar Foods Limited comprises of following 3 (Three) Members, 2 (Two) Members are Independent Non-Executive Directors and 1 (One) is Executive Director:-

Name	Designation	Category
Mr. Amit Mittal*	Chairman	Independent Non-Executive Director
Mr. Vikas Goel	Member	Executive & Managing Director
Mr. Prabhat Kumar	Member	Independent Non-Executive Director

*Appointed as Chairman of Audit Committee w.e.f. 10.11.2020

The recommendation made by the Audit Committee from time to time was accepted by the Board of Directors. The details of the terms of reference, meetings held during the year, attendance of Audit Committee members at such meetings etc. are provided in the Report on Corporate Governance forming part of this Annual Report.

14. POLICY ON REMUNERATION OF DIRECTORS, KMPs, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The remuneration paid to the Executive Directors is in accordance with the Nomination and Remuneration Policy of Megastar Foods Limited formulated in accordance with Section 134(3)(e) and Section 178(3) of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined below:

- To identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, Senior Management Personnel of the Company.
- To formulate the criteria for evaluation of performance of independent directors and the board of directors.
- To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board and to determining 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.
- To recommend to the Board on all remuneration in whatever form, payable to the Directors, KMPs and Senior Management.



- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.

The Nomination and Remuneration policy of Megastar Foods Limited is available on the website of the Company at the weblink <http://megastarfoods.com/assets/pdf/NOMINATION-REMUNERATION-AND-BOARD-DIVERSITY-POLICY.PDF>

15. NUMBER OF BOARD MEETINGS AND COMMITTEE MEETINGS

During the year under review, 05 (Five) Board meetings, 4 (Four) Audit Committee meetings, 3 (Three) Stakeholders Relationship Committee meetings, 3 (three) Nomination & Remuneration Committee meetings, and 08 (Eight) Finance and Investment Committee were convened and held. Details and attendance of such Board & Committees meetings are mentioned in Corporate Governance Report.

Pursuant to clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors had a separate meeting on 23.06.2020.

16. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As the ultimate responsibility for sound governance and prudential management of a Company lies with its Board, its imperative that the Board remains continually energized, proactive and effective.

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual Directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Companies Act, 2013, not only mandates Board and Director Evaluation, but also requires the evaluation to be formal, regular and transparent. Subsequently, SEBI Listing Regulations has also contained the provisions regarding requirement of performance evaluation of Independent Directors by the entire Board of Directors.

The Independent Directors of the Company met separately without the presence of Non-Independent Directors and inter-alia reviewed the performance of the Members of Management, Non-Independent Directors, Board as a whole, performance of the Chairman of the Company and the Committees, after taking into consideration the views of Executive and Non-Executive Directors.

In compliance with the provisions of SEBI Listing Regulations, the Board of Directors has also carried out evaluation of every Independent Director's performance during the financial year.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:-

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected and applied consistently and the Directors have made judgements 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 31 March 2021 and of the Profit and Loss of the Company for the year ended on that date;



- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts of the Company have been prepared on a going concern basis;
- Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to provisions of Section 134 (3) (m) of the Companies Act, 2013 read with rules framed thereunder, the details of activities in the nature of Energy Conservation, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as 'Annexure 2' and forms part of this report.

19. PARTICULARS OF REMUNERATION OF DIRECTORS AND KMPs

A statement containing the details of the Remuneration of Directors and KMPs as required under Section 197(12) of the Companies Act, 2013 read with rules framed thereunder, is attached as 'Annexure3.' and forms part of this Report.

20. ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been placed on the website of the Company and can be accessed at [http://www.megastarfoods.com/assets/pdf/2.%20DRAFT%20MGT-7 2020-21.pdf](http://www.megastarfoods.com/assets/pdf/2.%20DRAFT%20MGT-7%2020-21.pdf)

21. AUDITORS AND AUDITORS' REPORT

I.) STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s. Avnish Sharma & Associates Chartered Accountants (Firm Registration No.009398N), were appointed as the Statutory Auditors of the Company by the Shareholders in the 8th AGM of the Company held on 16th September 2019 for a further term of 4 (Four) years to hold office till the conclusion of the 12th AGM to be held in the calendar year 2023. The requirement to place the matter relating to ratification of appointment by members at every AGM has been done away by the Companies (Amendment) Act, 2017 w.e.f. 07 May 2018.

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

During the financial year, there have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government.



II.) SECRETARIAL AUDITORS

As required under Section 204(1) of the Companies Act, 2013 read with rules framed thereunder, the Company has appointed Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (M. No. 5901 & C.P. No. 5870), to conduct the Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report submitted by Mr. Kanwaljit Singh Thanewal in the prescribed form MR- 3 is attached as '**Annexure 4**' and forms part of this Report.

III.) COST AUDIT

As per the provisions of Section 148 read with the Cost Audit Rules, the provisions regarding Cost Audit is not applicable to the Company.

22. CORPORATE GOVERNANCE

As per the provisions of Regulation 15 (2) of SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015, the provisions regarding Corporate Governance are not applicable to the company during the financial year 2020-21. However, the company has voluntarily complied with the provisions as practices for good governance.

At Megastar Foods Limited, it is our firm belief that the quintessence of Good Corporate Governance lies in the phrase 'Your Company'. It is 'Your Company' because it belongs to you-the Stakeholders. The Chairman and Directors are 'Your' fiduciaries and trustees.

Your Company has evolved and followed the corporate governance guidelines and best practices sincerely to not just boost long-term Shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Your Company is devoted to benchmarking itself with global standards for providing Good Corporate Governance. The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the Country. Your Company is in compliance with the governance requirements provided under SEBI Listing Regulations.

The Board has also evolved and implemented a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the Company's website at www.megatsrfoods.com

A separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with Secretarial Auditors Certificate on Corporate Governance.

23. INTERNAL FINANCIAL CONTROL SYSTEM

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate and commensurate with the size, scale and complexity of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the in- house internal audit department and the observations, corrective and preventative actions are reviewed by the management and Audit committee of the Board of Directors.

During financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.



24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Companies Act, 2013, re-emphasizes the need for an effective Internal Financial Control System in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board Report.

To ensure effective Internal Financial Controls, the Company has laid down the following measures:-

- The Company's books of accounts are maintained in ERP and transactions are executed through ERP setups to ensure correctness/effectiveness of all transactions, integrity and reliability of reporting.
- The Company is having in place a Risk Management framework.
- The Company is having in place a well-defined Vigil Mechanism (Whistle Blower Policy).
- Compliance of Secretarial functions is ensured by way of Secretarial Audit.
- Compliance relating to Internal Control System of the Company is ensured by way of Internal Audit.

25. RISK MANAGEMENT

The primary objective of risk management is to protect the Company against risks to the value of the business, its capital and its continuity. In order to achieve the objective and for better governance, the Company has adopted a formal Risk Management Policy and also posted on the Company website: www.megastarfoods.com. The Policy sets out key risk areas - financial risks (including risk to assets), legislative and regulatory risks, environmental risks (including natural disasters), operational risks (markets, production, technology, etc.), risks relating to employment and manpower, and individual large transactional risks.

The Chairman & Managing Director of the company identifies and proposes action in respect of all risks through his Management team as and when any are perceived or foreseen or inherent in operations; analyses these, and then recommend it to Audit Committee for its review and further mitigation measures.

26. CREDIT RATING

The Company enjoys a credit rating provided by Brickwork BWR BBB- stable (Reaffirmed) for long term fund base. The Company has not defaulted in payment of its obligations to any financial institutions during FY 2020-21.

27. DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any Deposits during the Financial Year 2020-21 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any Unpaid or Unclaimed Deposits at the end of the Financial Year.



28. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company has in place '**Policy for Prevention and Redressal of Sexual Harassment**' in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (hereinafter referred "as the said act") and Rules made there under. As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee ('ICC') at the Registered Office, Works to deal with the Complaints received by the Company pertaining to gender discrimination and sexual harassment at workplace.

Further, as per the provisions of Section 21 & 22 of the said Act, the Report on the details of the number of cases filed under Sexual Harassment and their disposal for the financial year under review, is as under:-

Sr. No.	No. of cases pending as on the beginning of the financial year under review	No. of complaints filed during the financial year under review	No. of cases pending as on the end of the financial year under review
-NIL-			

29. DEPOSITORY SYSTEMS

The Company's shares are compulsorily tradable in electronic form. As on 31 March 2021, 100% of the Company's Paid-up Equity Share Capital representing 99,03,700 Equity Shares are in dematerialized form with both the Depositories.

The Company has established connectivity with both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company has appointed M/s Skyline Financial Services Private Limited, its Registrar and Share Transfer Agent across physical and electronic alternative.

30. PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans, guarantees, investments and securities provided during the financial year ended 31 March 2021 have been provided in the Financial Statements which forms part of the Annual Report and the Company has not given any fresh loans, investments or guarantee during the year.

31. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

All related party transactions entered during the year under review were on an arm's length basis and were in the ordinary course of business and in accordance with the provisions of the Companies Act, 2013, read with the rules framed thereunder and the SEBI Listing Regulations. Further, there were no transactions with Related Parties which qualify as Material Transactions under the SEBI Listing Regulations.

The Audit Committee of Megastar Foods Limited has considered, approved and recommended to Board for Omnibus Approval and criteria for Omnibus Approval for entering into transactions with Related Parties for the financial year 2020-21, which was further approved by the Board.



The transactions entered pursuant to the Omnibus Approval so granted and statement giving details of all transactions with Related Parties are placed before the Audit Committee for their review on a periodic basis.

Accordingly, the disclosure of these Related Party Transactions as required under section 134(3)(h) of the Act in form AOC-2 is not applicable for the year under review.

The details of the transactions with related parties are provided in the accompanying Financial Statements.

The Company has formulated a policy on dealing with related party transactions which is posted on the website of the Company at the web link <https://www.megastarfoods.com/assets/pdf/Policy-on-related-party-transactions.pdf>

32. DISCLOSURE ON VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has in place a Vigil Mechanism/ Whistle Blower Policy, in terms of provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014 which was approved by the Board of Directors on 4th April, 2018. The Company's personnel have direct access to the chairman of the Audit Committee to report concerns about unethical behaviour (actual or suspected), frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee. Adequate safeguards are being provided against victimization of whistle blowers availing of such mechanism.

Whistle Blower Policy of the Company is posted on the website of the Company at the weblink: <http://megastarfoods.com/whistle-blower>

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

34. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards - 1 and Secretarial Standards - 2 issued by the Institute of Company Secretaries of India and approved by the Central Government.

35. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, Megastar Foods Limited is having the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The said Code is available on the website of the Company at www.megastarfoods.com

36. INDUSTRIAL RELATIONS

Industrial relations and work atmosphere remained cordial throughout the year with sustained communication and engagement with workforce through various forums.



37. SAFETY, HEALTH AND ENVIRONMENT

The Company continues to demonstrate strong commitment to safety, health and environment which have been adopted as core organizational values. The Company assures safety and facilities in accordance with statutory and regulatory requirements. Employees are continuously made aware of hazards / risks associated with their job and their knowledge and skills are updated through requisite training to meet any emergency. Medical and occupational check-ups of employees and eco-friendly activities are promoted. The Company does not produce any kind of hazardous waste.

38. TRANSFER OF UNCLAIMED DIVIDEND TO IEPF

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

During the FY 2020-21, there is no such amount with respect to Unclaimed Dividend, which is required to be transferred to Investor Education and Protection Fund (IEPF)

39. TRANSFER OF SHARES TO IEPF

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account').

During FY 2020-21, there were no shares which are required to be transferred to IEPF Account.

40. General Disclosure

During the year under review:-

- The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of Companies Act, 2013 and Rules made thereunder.
- The Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company pursuant to the provisions of Section 67 of Companies Act, 2013 and Rules made thereunder.
- The Company has not bought back its shares, pursuant to the provisions of Section 68 of Companies Act, 2013 and Rules made thereunder.
- The has timely payment to micro and small enterprises and payments to micro and small enterprise suppliers does not exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of section 9 of the Micro, Small and Medium Enterprises Development Act, 2006.



41. ACKNOWLEDGEMENT

Employee relations throughout the Company were harmonious. The Board wishes to place on record its appreciation to all employees in the Company, for their sustained efforts and immense contribution to the good levels of performance and growth that the Company has achieved during the financial year under review.

Your Directors also place on record their sincere thanks and appreciation for the continuing support and assistance received from the financial institutions, banks, Government as well as non- government authorities, customers, vendors, and members during the financial year under review.

Date: 23.08.2021
Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

VIKASGOEL
Chairman & Managing Director
DIN:05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386

**ANNEXURE- 1****FORM No. 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

PARTICULARS	DETAILS (in Rupees)
Name of the subsidiary	Megapacific Ventures Private limited
Reporting year/period for the subsidiary concerned	01.04.2020 to 31.03.2021
Reporting currency and exchange rate as on the Financial Year ended on 31 st March, 2021	INR
Share capital	2,50,00,000
Reserves & surplus	(6,40,744)
Total assets	2,94,57,019
Total Liabilities	2,94,57,019
Investments	0
Turnover	0
Profit/(loss) before taxation	(6,41,900)
Provision for taxation	0
Profit/(loss) after taxation	(6,41,900)
Other comprehensive income	0
Total comprehensive income	0
Proposed Dividend	Nil
% of shareholding	100%

Date: 23.08.2021
Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

VIKAS GOEL
Chairman-cum-Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386



ANNEXURE-2

INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

(I) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

PARTICULARS	FOR THE YEAR ENDED ON 31ST MARCH, 2021	FOR THE YEAR ENDED ON 31ST MARCH, 2020
1. CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION		
The company is taking all measures to conserve Energy, Power and Fuel Consumption.		
a) Electricity		
Units Consumed	41,19,675	42,47,600
Total Amount (Rs. in Lakhs)	284.26	286.59
Rate/Unit Rs.	6.90	6.77
b) High Speed Diesel (HSD)		
Quantity (litres)	1180.00	850.00
Total Amount (Rs. in Lakhs)	0.86	0.55
Average Rate per litre (Rs.)	72.66	64.87
2. TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT		
Through continuous Research and Development efforts, the company has been able to maintain the quality of wheat products as compared with its competitor multinational companies. The company is constantly upgrading its technology by R&D to help in the overall development of the company.		
Expenditure on Research & Development	Nil	Nil
a) Capital (Rs. in Lakhs)	Nil	Nil
b) Recurring (Rs. in Lakhs)	Nil	Nil
c) Total (Rs. in Lakhs)		
d) Total R & D expenditure as percentage of turnover of Manufacturing activity	Nil	Nil
3. FOREIGN EXCHANGE EARNINGS AND OUTGO		
Foreign exchange earnings (Rs.in Lakhs)	487.25	213.02
Foreign exchange outgo (Rs.in Lakhs)	Nil	Nil

Date: 23.08.2021
Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

VIKASGOEL
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:

PARTICULARS OF REMUNERATION

A. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2020-21:-

*

S.No.	Nature of Directorships Held & Name of Directors	Ratio of Median Remuneration
1	Executive Directors	
a)	Mr. Vikas Goel	24.18:1
b)	Mr. Vikas Gupta	24.18:1
c)	Mr. Mudit Goyal	12.75:1
2	Non-Executive Directors*	
d)	Mr. Prabhat Kumar	0
e)	Mr. Amit Mittal	0
f)	Ms. Savita Bansal	0

*Non- Executive Directors are being paid with the sitting fees for attending the Board Meetings.

B. The Percentage Increase in Remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2020-21:-

S.No.	Name of the Director	% Increase in remuneration
1	Mr. Vikas Goel	13%
2	Mr. Vikas Gupta	13%
3.	Mr. Mudit Goyal	13%
4.	Mr. Prabhat Kumar*	Nil
5.	Mr. Amit Mittal*	Nil
6.	Mr. Savita Bansal*	Nil
7.	Mr. Robin Kumar, Company Secretary (Resigned w.e.f. 20.01.2021)	-
8.	Mr. Dhiraj Kheriwal, Company Secretary (Appointed w.e.f. 16.03.2021)	-
9.	Ms. Manisha Gupta, Chief Financial Officer	6%

* Non-Executive directors are being paid with the sitting fees for attending the Board Meetings.

C. The Percentage Increase in the Median Remuneration of Employees in the Financial Year 2020-21: There was increase of 2% in the Median Remuneration of Employees in the financial year 2020-21.

D. The Number of Permanent Employees on the rolls of Company: 99

E. 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: The average increase in salaries of Employees other than Managerial Personnel in 2020-21 was 5%, average percentage increase in the Managerial Remuneration for the year was 13%.



- F. Affirmation that the Remuneration is as per the Remuneration policy of the Company:** The Company's Remuneration policy is driven by the success and performance of the individual Employees and the Company. Through its compensation package, the Company's endeavours to attract, retain, develop and motivate a high performance staff. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. During the year no Managing Director / Whole-time Director of the Company are in receipt of any remuneration or commission from any of its subsidiaries. The Company affirms that the remunerations are as per the Nomination and Remuneration Policy of the Company.
- G. Details as per Section 197 and Rule 5(2) and 5(3) of the Act:-** During the financial year 2020-21, no employee of the Company, received remuneration of one crore and two lakh rupees or more per annum while working for the whole year or at the rate of eight lakh and fifty thousand rupees per month while working for a part of the year.
- H.** During the financial year 2020-21 or part thereof, no employee of the Company received remuneration in excess of the remuneration drawn by Managing Director or Whole-Time Director or Manager and no employee of the Company (by himself or along with his spouse and dependent children), was holding two percent or more of the equity shares of the Company.
- I.** During the financial year 2020-21, no employee of the Company, resident in India, posted and working in a country outside India, not being Directors or their relatives, had drawn more than sixty lakh rupees per year or five lakh rupees per month.

Date: 23.08.2021
Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

VIKASGOEL
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,

The Members,
Megastar Foods Limited,
Plot No. 807, Industrial Area,
Phase II, Chandigarh.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MEGASTAR FOODS LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the MEGASTAR FOODS LIMITED’S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by MEGASTAR FOODS LIMITED (“the Company”) for the financial year ended on March 31, 2021 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014: Not applicable as the company has not provided any share based employee benefits during the audit period.
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
- f) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
- g) 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- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including the amendments thereof- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) The Air (Prevention and Control of Pollution) Act, 1981
- (ix) The Water (Prevention and Control of Pollution) Act, 1974
- (x) The Food Safety and Standards Act, 2006 and rules and regulations made thereunder.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, to the extent applicable, being listed on SME Exchange BSE Limited;

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of Board of Directors of the company during the audit period.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.



3. All decision is carried through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the financial year, there were no instances of:

- (i) Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iii) Redemption / buy-back of securities.
- (iv) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh

Date : 23.08.2021

UDIN: F005901C000816964

KANWALJIT SINGH THANEWAL

M. NO. 5901

C.P.NO. 5870

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



“Annexure-A”

To,

The Members,
Megastar Foods Limited,
Plot No. 807, Industrial Area,
Phase II, Chandigarh.

My 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. My responsibility is to express an opinion on these secretarial records, based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the extent of 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.

Place: Chandigarh

Date : 23.08.2021

UDIN: F005901C000816964

KANWALJIT SINGH THANEWAL

M. NO. 5901

C.P.NO. 5870



Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. At Megastar Foods Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance since incorporation and made it an integral principle of the business.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At Megastar, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Conduct is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

2. BOARD OF DIRECTORS

A. SIZE AND COMPOSITION OF BOARD

The present policy of Megastar Foods Limited regarding size and composition of the Board is to have an optimum combination of Executive and Non-Executive Directors along with Woman Director which clearly demarcate the functions of governance and management.

As on 31 March 2021, the Board comprises of 6 (Six) members, 3 (Three) of which are Independent Non-Executive Directors including 1 (One) Independent Woman Director, constituting 50% of the Board's strength and remaining 3 (Three) are Executive Promoter Directors. Out of 3 (Three) Executive Directors, 1 (One) is Chairman & Managing Director and 2 (Two) are Whole Time. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations as well as the Companies Act, 2013 read with the rules issued thereunder.



B. ROTATION/REAPPOINTMENT OF DIRECTORS

Retirement by rotation and subsequent re-appointment

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Article 125 of the Articles of Association of the Company all Directors except Independent Directors are liable to retire by rotation. Accordingly, Mr. Vikas Gupta (DIN:- 05123386), Whole Time Director of the Company, being the longest in his office amongst the Directors liable to retire by rotation, retire from the Board by rotation this year and being eligible, has offered his candidature for re-appointment. This shall not constitute a break in his office as the Whole Time Director of the Company.

Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and all are independent of the Management. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics for the Board of Directors, Senior Management Personnel and Other Employees.

All Independent Directors are drawn from amongst eminent professionals with expertise in Business/ Finance/Law/Public Enterprises and other allied field.

During the year, there is no change (appointment or cessation) in the office of Directors during the year.

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all Directors except Independent Directors are liable to retire by rotation. The Independent Directors of Company holds office for 5 (Five) consecutive years from 04 April 2018 to 03 April 2023.

C. DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S)

As mandated by Regulation 26 of the SEBI Listing Regulations, none of the Director is a member of more than 10 (Ten) Board level Committees or Chairman of more than 5 (Five) Committees across all listed companies in which he/she is a Director. Directors' attendance at the Board Meetings during the financial year and the last AGM and also their Directorships and Memberships in other committees is given below:

Composition of the Board, Attendance Record, Directorships and Committee Membership for the Financial Year 2020-21:



Brief Information about Directors		Attendance record during Financial Year 2020-21			Directorship/Membership /Chairmanship as on 31 March 2021		
Name of the Directors	Directors Identification Number (DIN)	Number of Board Meeting held and attended		Attendance at the last AGM	Number of Directorships in all Companies* as on 31 March 2021	Number of Committee Positions held in all Companies** as on 31 March 2021	
		Held	Attended			Chairman	Member
Executive Directors							
Mr. Vikas Goel	05122585	5	5	Yes	2	Nil	3
Mr. Vikas Gupta	05123386	5	5	Yes	2	Nil	Nil
Mr. Mudit Goyal	08099543	5	5	Yes	2	Nil	Nil
Independent Non-Executive Directors							
Mr. Amit Mittal	08099502	5	5	Yes	1	4	4
Mr. Prabhat Kumar	08099531	5	4	Yes	1	Nil	4
Ms. Savita Bansal	08099629	5	5	Yes	1	Nil	1

*This includes Directorships in all Companies (Listed, Unlisted Public and Private Limited Companies incorporated in India) including Megastar Foods Limited.

** For the purpose of considering the limit of the committees on which a Directors can serve, all public limited companies, whether listed or not, including Megastar Foods Limited is considered. Further in addition to the Audit Committee and Stakeholders Relationship Committee as prescribed under explanation to Regulation 26(1)(b) of the SEBI Listing Regulations, the Nomination and Remuneration Committee and CSR Committee were also taken into consideration.

D. LIMIT ON THE NUMBER OF DIRECTORSHIPS

Pursuant to the provisions of Section 165 of the Companies Act, 2013, no person shall hold the office as a Director, including any directorship in more than twenty companies at the same time, provided that the maximum number of Public Companies in which a person can be appointed as a Director shall not exceed ten.

In compliance with Regulation 25 of the SEBI Listing Regulations, the Independent Directors on the Board of the Company does not serve as an Independent Directors in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Also as required under Regulation 17A of the amended SEBI Listing Regulations, 2015, the Board Members of the Company does not serve as a Director in more than 8 (eight) listed entities and in case he/she is serving as Independent Director on the Board of the Company, does not hold position as an Independent Director in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time/Managing Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Accordingly, all Directors are in compliance with the above mentioned provisions of Companies Act, 2013 and SEBI Listing Regulations.



E. MAXIMUM TENURE OF INDEPENDENT DIRECTORS

Pursuant the provisions of Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company has been fixed for a period of 5 (Five) consecutive years commencing from 04 April 2018 to 03 April 2023.

F. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

- a. In accordance with the provisions of SEBI Listing Regulations read with Schedule IV of the Companies Act, 2013, the Company has issued formal letters of appointment to all the Independent Directors.
- b. The terms and conditions of Appointment of Independent Directors has been disseminated on the Company's website at www.megastarfoods.com

G. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee, has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board Members, including Independent Directors.

The performance evaluation of Independent Directors was done by the entire Board of Directors excluding the Directors being evaluated.

H. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year, a separate Meeting of the Independent Directors of the Company was held on 23 June 2020 at Plot No. 807, Industrial Area, Phase -II, Chandigarh - 160002, where in inter-alia following items as enumerated under Schedule IV of the Companies Act, 2013, read with Regulation 25 of the SEBI Listing Regulations were discussed:

- Review of Performance of Non-Independent Directors and Board as a whole.
- Review of Performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Prabhat Kumar was appointed as the Chairman to lead the meeting of the Independent Directors.

I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the provisions of Regulation 25 of the SEBI Listing Regulations, all Independent Directors are familiarized about the Company, through various programs from time to time, including the following:

- Nature of the industry in which the Company operates;
- Business model of the Company;
- Roles, rights and responsibilities of Independent Directors; and
- Any other relevant information.

A web- link for the details of the familiarisation programmes conducted during the year 2020-21



has been uploaded on the Company's website at <http://www.megastarfoods.com/assets/pdf/1.%20INDEPENDENT%20DIRECTORS'%20FAMILIARIZATION%20PROGRAMME%202020-21.pdf>

J. BOARD MEMBERSHIP CRITERIA AND LIST OF CORE SKILLS/EXPERTISE/ COMPETENCIES IDENTIFIED IN THE CONTEXT OF THE BUSINESS

The Board of Directors are collectively responsible for selection of a Member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non - Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of relevance to the Company;
- Balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset;

In terms of requirement of Schedule V of SEBI Listing Regulations, the Board has identified the following core skills/expertise/ competencies of the Directors in the context of the Company's business for effective functioning as given below:

Skills and its description	Mr. Vikas Goel	Mr. Vikas Gupta	Mr. Mudit Goyal	Mr. Amit Mittal	Mr. Prabhat Kumar	Ms. Savita Bansal
Experience in leading well-governed organizations*	✓	✓	✓	✓	✓	✓
Experience of crafting Business Strategies**	✓	✓	✓	✓	✓	✓
Finance and Accounting Experience***	✓	✓	✓	✓	✓	✓
Experience of large Companies and understanding of the changing regulatory landscape****	✓	✓	✓			



- * **Experience in leading well-governed organizations** – Experience in leading well-governed organizations, with an understanding of organizational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.
- ** **Experience of crafting Business Strategies** - Experience in developing long-term strategies to grow consumer / Rice business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.
- *** **Finance and Accounting Experience** - Leadership experience in handling financial management of a well-governed organization along with good understanding of accounting and financial statements.
- **** **Experience of large Companies and understanding of the changing regulatory landscape** - Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.

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

The Non-Executive Directors of the Company neither holds any Equity Shares. Further the Company is not having any convertible instruments.

L. ROLES AND RESPONSIBILITIES OF THE BOARD

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic direction to the Company. As trustee, the Board of Directors has fiduciary responsibility to ensure that the company has clear goals aligned to shareholders value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils Stakeholders aspirations and societal expectations.

- **Disclosure of Information**

- Members of Board of Directors and Key Managerial Personnel shall disclose to the Board of Directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
- The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

- **Key functions of the Board**

- The Board reviews and guides Corporate Strategy, Major Plans of Action, Key policies, Annual Budgets and Business Plans; Setting Performance Objectives; Monitoring Implementation and Corporate Performance; and Overseeing Major Capital Expenditures, Acquisitions and Divestments.
- Board monitors the effectiveness of the Company's governance practices and making changes as needed.

- Selects, Compensates, Monitors and when necessary, replaces key executives and overseeing succession planning.
 - Ensures a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
 - Monitors and manages potential conflicts of interest of Management, Board Members and Shareholders, including misuse of corporate assets and abuse of Related Party Transactions.
 - Ensures the integrity of the Company's accounting and financial reporting systems, including the Independent Audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, Financial and Operational Control, and Compliance with the law and relevant standards.
 - Oversees the process of disclosure and communications.
 - Monitors Board evaluation framework.
 - Aligned Key Managerial Personnel and remuneration of Board of Directors with the longer term interests of the Company and its Shareholders.
 - Company has well established Committees of the Board of Directors, and their mandate, composition and working procedures have been well defined.
- **Other responsibilities**
- The Board provides the strategic guidance to the Company, ensure effective monitoring of the Management and should be accountable to the Company and the Shareholders.
 - The Board sets corporate culture and the values by which executives throughout a group will behave.
 - Board members acts on a fully informed basis, in good faith, with Due Diligence and Care, and in the best interest of the Company and the Shareholders.
 - The Board encourages continuing Directors training to ensure that the Board Members are kept up to date.
 - Where Board decisions affect different shareholder groups differently, the Board treats all Shareholders fairly.
 - The Board applies high ethical standards. It takes into account the interests of stakeholders.
 - The Board is able to exercise objective independent judgment on Corporate Affairs.
 - Board considers assigning a sufficient number of Non-Executive Board Members capable of exercising Independent Judgment to tasks where there is a potential for conflict of interest.
 - The Board ensures that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.

- The Board has ability to 'Step Back' to assist Executive Management by challenging the assumptions underlying: Strategy, Strategic Initiatives (such as acquisitions), Risk Appetite, Exposures and the Key areas of the Company's focus.
- Board Members should be able to commit themselves effectively to their responsibilities.
- In order to fulfill their responsibilities, Board Members have access to accurate, relevant and timely information.
- The Board and Senior Management facilitate the Independent Directors to perform their role effectively as a Board Member and also a Member of a Committee.

• **Role of Independent Directors**

Independent Directors have emerged as the cornerstones of the worldwide Corporate Governance movement. Their increased presence in the boardroom has been hailed as an effective deterrent to fraud and mismanagement, inefficient use of resources, inequality and unaccountability of decisions and as a harbinger for striking the right balance between individual, economic and social interests.

Independent Directors plays a key role in the decision-making process of the Board. The Independent Directors are committed to act in what they believe to be in the best interest of the Company and its Shareholders. The Independent Directors are professionals, with expertise and experience in general corporate management, Public Policy, Finance, Financial Services and Other allied fields. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, Independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

M. INTER-SE RELATIONSHIP AMONGST DIRECTORS

NAME OF THE DIRECTOR	DESIGNATION OF DIRECTOR	RELATIONSHIPS INTER- SE
Mr. Vikas Goel	Managing Director	Father of Mr. Mudit Goyal
Mr. Vikas Gupta	Whole Time Director	No relationship with any other Directors
Mr. Amit Mittal	Director	No relationship with any other Directors
Mr. Prabhat Kumar	Director	No relationship with any other Directors
Mr. Mudit Goyal	Whole Time Director	Son of Mr. Vikas Goel
Ms. Savita Bansal	Director	No relationship with any other Directors

3. BOARD MEETINGS AND PROCEDURES

A. BOARD MEETINGS

Company's Corporate Governance requires the Board to meet at least four times in a year. The maximum gap between two Board Meetings should not be more than 120 (One hundred and twenty) days as prescribed under Regulation 17 of the SEBI Listing Regulations. Additional Board Meetings may be convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, the Board may also approve resolutions by Circulation as permitted under Companies Act, 2013.



B. BOARD PROCEDURE

The meeting of Board of Directors and Committees of Board of Directors are governed with the structured agenda. The Agenda is prepared in consultation with the Chairman of the Board/Committees of Board and other Board/Committee Members. The Agenda for the Meetings of the Board/Committees of Board together with the appropriate supporting documents are circulated well in advance to all the Board/Committee members. Detailed presentations are also made to the Board/Committee Members covering operations, Business Performance, Finance, Sales, Marketing, Global and Domestic Business Environment and related details. All necessary information including but not limited to those as mentioned in Part-A Schedule II of the SEBI Listing Regulations are placed before the Board/Committee Members to enable it to discharge its responsibility for the strategic supervision of the Company. The Board/Committee Members also reviews periodical compliances of all laws, rules and regulations. At the Board/Committees Meeting, the members have full freedom to express their opinion and decisions are taken after detailed deliberations. Members of the Senior Management team are also invited to attend the Board/Committees Meetings as and when required, which provides additional inputs to the items being discussed by the Board/Committees Meetings.

C. DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS DURING FINANCIAL YEAR 2020-21:-

S.No.	Date of Board Meetings	Board Strength	Number of Directors Present	% of attendance
1.	Tuesday, 23 June 2020*	6	6	100.00
2.	Friday, 28 August 2020	6	5	83.33
3.	Tuesday, 10 November 2020	6	6	100.00
4.	Wednesday, 20 January 2021	6	6	100.00
5.	Tuesday, 16 March 2021	6	6	100.00

*The gap between last meeting 12.02.2020 and 23.06.2020 exceeds 120 days. the gap was extended to 180 days and that has been complied with.

In terms of Regulation 17 of the SEBI Listing Regulations the gap between any two meetings did not exceed 120 (One Hundred and Twenty) days.

D. SHAREHOLDING OF DIRECTORS

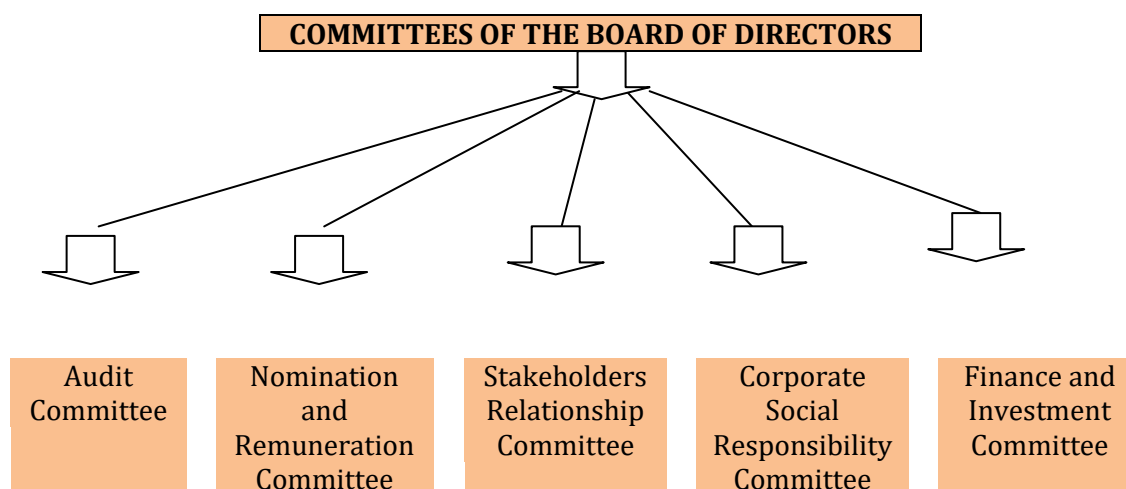
The Shareholding of Directors (In individual capacity) as on 31 March 2021 are given below:

Name	Number of Shares Held
Mr. Vikas Goel	2492660
Mr. Vikas Gupta	2139900
Mr. Mudit Goyal	181500

The Independent Non- Executive Directors of the Company are not holding any shares in the Company as on 31 March 2021.

4. COMMITTEES OF THE BOARD

Megastar has 5 (Five) Board level Committees:-



DETAILS OF ROLE AND COMPOSITION OF THESE COMMITTEES, INCLUDING THE NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR AND THE RELATED ATTENDANCE ARE PROVIDED BELOW:

A. AUDIT COMMITTEE

I. Composition of the Committee

As on 31 March 2021, the Audit Committee of Megastar comprises of following Members:

Name	Designation	Category
Mr. Amit Mittal*	Chairman	Independent Non-Executive Director
Mr. Vikas Goel	Member	Executive & Managing Director
Mr. Prabhat Kumar	Member	Independent Non-Executive Director

*Appointed as Chairman of Audit Committee w.e.f. 10.11.2020

The Members of Audit Committee of the Company have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Amit Mittal, has considerable accounting and related Financial Expertise. The Statutory Auditors and the Internal Auditors of the Company attend the meetings of the Committee on the invitation of the Chairman.

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013, read with Regulation 18 of SEBI Listing Regulations.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.



The Audit Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Independent Auditors notes the process and safeguards employed by each of them.

Mr. Dhiraj Kheriwal, Company Secretary, acts as Secretary to the Audit Committee.

II. Terms of Reference

The roles, powers and functions of the Audit Committee of Megastar Foods Limited are in accordance with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 and PART-C of Schedule II of the SEBI Listing Regulations.

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
 - 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
6. 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;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Subject to and conditional upon the approval of the Board of Directors, approval of Related Party Transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of specific approval or omnibus approval of RPT subject to conditions is not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations. Such approval shall not be required for transactions with a wholly owned subsidiary whose accounts are consolidated with the Company;
9. Subject to review by the Board of Directors, review on quarterly basis, of RPTs entered into by the Company pursuant to respective omnibus approval given pursuant to (8) above;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
12. Review the Company's established system and processes of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. 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;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. 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;
17. Discussion with the 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;
18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
19. 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;
20. To review the functioning of the whistle blower mechanism;
21. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
22. Audit committee shall oversee the vigil mechanism.
23. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
24. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee reviews the following:

- a) Management discussion and analysis of financial condition and results of operations.
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

III. Meetings and Attendance

During the financial year 2020-21, 4 (Four) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by Members during the financial year 2020-21 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Tuesday, 23 June 2020	3	3	100.00
2.	Friday, 28 August 2020	3	2	66.66
3.	Tuesday, 10 November 2020	3	3	100.00
4.	Wednesday, 10 March 2021	3	3	100.00

The attendance details of the Audit Committee Members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Amit Mittal	Chairman	4	4	100.00
2.	Mr. Vikas Goel	Member	4	4	100.00
3.	Mr. Prabhat Kumar	Member	4	3	75.00

B. NOMINATION AND REMUNERATION COMMITTEE

I. Composition of the Committee

As on 31 March 2021, the Nomination and Remuneration Committee of Megastar comprises of following Members:

Name	Designation	Category
Mr. Amit Mittal*	Chairman	Independent Non-Executive Director
Ms. Savita Bansal	Member	Independent Non-Executive Director
Mr. Prabhat Kumar	Member	Independent Non-Executive Director

Appointed as Chairman of Audit Committee w.e.f. 10.11.2020

The primary objective of the Nomination and Remuneration Committee is to screen and review individuals who are qualified to serve as Key Managerial Personnel, Executive Directors, Non-Executive Directors and Independent Directors and to recommend to Board for the their appointment/ change in remuneration from time to time. Also Nomination and Remuneration Committee's primary role is to identify persons who may be appointed in Senior Management and to change their remuneration from time to time.

Mr. Dhiraj Kheriwal, Company Secretary, acts as Secretary to the Nomination and Remuneration Committee.

II. TERMS OF REFERENCE

The role of the Nomination and Remuneration Committee of Megastar also covers such functions and scope as prescribed under Section 178 of the Companies Act, 2013 read with allied Rules framed thereunder and Regulation 19 and Part-D of Schedule II of the SEBI Listing Regulations.

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;

- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.; and
- To formulate and administer the Employee Stock Option Scheme.

Nomination and Remuneration Policy:-

Nomination and Remuneration Policy is in place for Directors, KMP's and other employees, in accordance with the provisions of the Act and Listing Regulations. The policy is part of Director's Report and also available on website of the Company at www.megastarfoods.com. The criteria for performance evaluation of the Directors is covered in Nomination and Remuneration Policy of the Company

III. MEETINGS AND ATTENDANCE

During the financial year 2020-21, 3 (Three) meetings of Nomination and Remuneration Committee were held. Details of Nomination and Remuneration Committee Meetings held and attended by Members during the financial year 2020-21 are as follows:-

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Tuesday, 23 June 2020	3	3	100.00
2.	Friday, 28 August 2020	3	2	66.66
3.	Tuesday, 16 March 2021	3	3	100.00

The attendance details of the Nomination and Remuneration Committee members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Amit Mittal	Chairman	3	3	100.00
2.	Mr. Prabhat Kumar	Member	3	2	66.66
3.	Ms. Savita Bansal	Member	3	3	100.00

IV. Remuneration Policy

The Remuneration policy of the Company is to lay down a framework in relation to remuneration of Directors, KMP and Senior Management Personnel and directed towards rewarding performance, based on review of achievements on periodic basis.

The remuneration paid to Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the approval of the Shareholders and such other authorities, if any, as the case may be and the remuneration paid to KMPs and Senior Management other than Directors is recommended by Nomination and Remuneration Committee and approved by the Board of Directors of the Company.



The Non-Executive Directors are paid with the sitting fee upto the limit as specified under the Companies Act, 2013 read with SEBI Listing Regulations.

The Nomination and Remuneration policy of Megastar Foods Limited is available on the Company's website at www.megastarfoods.com

V. Remuneration of Directors

i. Remuneration to Non- Executive Directors

The Independent Non-Executive Directors are being paid with the sitting fees for attending Board Meetings.

Details of Sitting Fees paid to the Independent Non- Executive Directors during the Financial Year 2020-21 are as follows:

(Amount in Rupees)

Name of the Directors	Sitting Fees Paid FY 2020-21*		No. of shares held as on 31 March 2021
	Board Meeting	Committee Meeting	
Mr. Amit Mittal	21000	-	Nil
Mr. Prabhat Kumar	14000	-	Nil
Ms. Savita Bansal	21000	-	Nil

ii. Remuneration to Executive Directors

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the Company's performance, responsibilities shouldered, performance/ track record of the Director etc. and is approved by the Board of Directors.

The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the Shareholders.

Details of Remuneration on account of salary and perquisites paid to the Executive Directors during the Financial Year 2020-21 are as follows:

(Amount in Rupees)

Name & Designation of Director	Salaries	Allowances (including HRA, Leave Travel)	Total
Mr. Vikas Goel Chairman & Managing Director	4500000	399600	4899600
Mr. Vikas Gupta Whole Time Director	4500000	399600	4899600
Mr. Mudit Goyal Whole Time Director	2400000	309600	2709600



C. STAKEHOLDERS RELATIONSHIP COMMITTEE

I. Composition of the Committee

As on 31 March 2021, the Stakeholders Relationship Committee of Megastar comprises of following Members:-

Name	Designation	Category
Mr. Amit Mittal*	Chairman	Independent Non-Executive Director
Mr. Vikas Goel	Member	Independent Non-Executive Director
Mr. Prabhat Kumar	Member	Independent Non-Executive Director

*Appointed as Chairman of Audit Committee w.e.f. 10.11.2020

Mr. Dhiraj Kheriwal, Company Secretary, acts as Secretary to the Stakeholders Relationship Committee and is designated as the Compliance Officer.

II. Terms of Reference

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per Regulation 20 and Part-D of Schedule II of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013, and allied rules as may be notified from time to time.

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

III. Meetings and Attendance

During the financial year 2020-21, 3 (Three) meetings of Stakeholders Relationship Committee were held. Details of Stakeholders Relationship Committee Meetings held and attended by Members during the financial year 2020-21 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Tuesday, 23 June 2020	3	3	100.00
2.	Friday, 28 August 2020	3	2	66.66
3.	Tuesday, 10 November 2020	3	3	100.00

The attendance details of the Stakeholders Relationship Committee Members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Amit Mittal	Chairman	3	3	100.00
2.	Mr. Vikas Goel	Member	3	3	100.00
3.	Mr. Prabhat Kumar	Member	3	2	66.66

INVESTORS GRIEVANCE REDRESSAL

The Company has been attending to all investor grievances/complaints expeditiously and promptly to the satisfaction of stakeholder(s). The status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of Listing Regulations for the financial year 2020-21, is as follows:

Particulars	Number of Complaints
Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed during the financial year	Nil
Remaining unresolved as on 31 March 2021	Nil

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a well established Corporate Social Responsibility (CSR) Committee at the Board Level along with the CSR Monitoring Committee and Unit CSR Teams under the CSR Committee, to formulate and recommend the CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and to recommend to Board the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The provisions of Section 135 of the Companies Act, 2013 were not applicable to the company during the Financial Year 2020-21.

I. Composition of the Committee

As on 31 March 2021, the CSR Committee of Megastar comprises of following 3 (Three) Members out of which 1 (One) are Executive Directors and 2 (Two) are Independent Non-Executive Directors:

Name	Designation	Category
Mr. Amit Mittal	Chairman	Independent Non-Executive Director
Mr. Vikas Goel	Member	Executive & Managing Director
Mr. Prabhat Kumar	Member	Independent Non-Executive Director

Mr. Dhiraj Kheriwal, Company Secretary, acts as Secretary to the CSR Committee.

II. Terms of Reference

The Terms of Reference of CSR Committee includes the duties and functions of the CSR Committee of Megastar Foods Limited are as per Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.



- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time;

The Company has formulated the CSR Policy in line with Schedule VII of the Companies Act, 2013. The same is available on the Company's website at www.megastarfoods.com

III. Meeting and Attendance

During the financial year 2020-21, 1 (One) meetings of Corporate Social Responsibility Committee were held. Details of Corporate Social Responsibility Committee Meetings held and attended by members during the financial year 2020-21 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Tuesday, 23 June 2020	3	3	100.00

The attendance details of the Corporate Social Responsibility Committee Members are as follows:

S. No.	Name	Position held	Meetings held	Meetings attended	% of attendance
1.	Mr. Prabhat Kumar	Chairman	1	1	100.00
2.	Mr. Vikas Goel	Member	1	1	100.00
3.	Mr. Amit Mittal	Member	1	1	100.00

E. FINANCE AND INVESTMENT COMMITTEE

The Company has formed the Finance and Investment Committee to formulate the timely and effective decisions related to availing of Borrowings and Investments made by the Company from time to time.

I. Composition of the Committee

As on 31 March 2021, the Finance and Investment Committee of Megastar comprises of following 3 (Three) Members out of which 1 (One) is Executive Directors and 2(Two) are Independent Non-Executive Director:-

S.No.	Name	Designation	Category
1.	Mr. Vikas Goel	Chairman	Executive & Managing Director
2.	Mr. Amit Mittal	Member	Independent Non-Executive Director
3.	Mr. Vikas Gupta	Member	Executive & Whole Time Director

Mr. Dhiraj Kheriwal, Company Secretary, acts as Secretary to the Borrowing and Investment Committee.

II. Terms of References

The Role, Duties and Responsibilities of the Finance and Investment Committee of Megastar Limited includes the following:-

- Identify the suitable investment options/ plan for the growth of the Company which can provide the maximum benefit for the Company and also analysis risk associated with it.
- recommend to the Board about the future investment plans;
 - Formulate the criteria for determining the price, returns, dispose-off and tenure in the investment.
 - Review the Company's financial policies, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
 - Review banking arrangements and cash management.
 - Exercise all powers to borrow monies (otherwise than by issue of debentures) within the limits approved by the Board and taking necessary actions connected therewith including refinancing for optimization of borrowing costs.
 - Giving of guarantees/issuing letters of comfort/ providing securities within the limits approved by the Board.
 - Borrow monies by way of loan for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
 - Provide corporate guarantee/performance guarantee by the Company within the limits approved by the Board.
 - Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
 - Other transactions or financial issues that the Board may desire to have them reviewed by the Finance and Investment Committee.
 - Delegate authorities from time to time to the executives/authorized persons to implement the decisions of the Committee.
 - Regularly review and make recommendations about changes to the charter of the Committee.

III. Meeting and Attendance

During the Financial Year 2020-21, 8 (Eight) Meeting of the Investment and Borrowing Committee were held. Meeting and Attendance details of Investment and Borrowing Committee Meetings are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Tuesday, 09 June 2020	3	3	100.00
2.	Wednesday, 07 July 2020	3	3	100.00
3.	Saturday, 18 July 2020	3	3	100.00
4.	Thursday, 17 September 2020	3	3	100.00
5.	Tuesday, 29 September 2020	3	3	100.00
6.	Friday, 08 January 2021	3	3	100.00
7.	Thursday, 28 January 2021	3	3	100.00
8.	Thursday, 18 February 2021	3	3	100.00



The attendance details of the investment and Borrowing Committee Members are as follows:

S.No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Vikas Goel	Chairman	8	8	100.00
2.	Mr. Amit Mittal	Member	8	8	100.00
3.	Mr. Vikas Gupta	Member	8	8	100.00

5. SUBSIDIARY COMPANIES – MONITORING FRAMEWORK

Megastar Foods Limited does not have any Material Subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations read with amended SEBI Listing Regulations. Material Subsidiary means a Subsidiary Company whose income or net worth (i.e. paid-up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the Listed Holding Company and its Subsidiaries in the immediately preceding accounting year.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the Subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of Directors of the Company.

The Company has formulated a policy for determining its Material Subsidiaries. The same is available on the Company's website at www.megastarfoods.com

6. GENERAL BODY MEETINGS

A.GENERAL BODY MEETING HELD DURING LAST 3 YEARS

Year	Time, Day, Date and Location	Summary of Special Resolutions passed in the AGM
9 th AGM-2020	11.00 A.M. Monday, 28 September 2020 Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), and the deemed venue for the AGM is Registered Office.	-consider and approve the Payment of remuneration to Mr. Vikas Goel (DIN: 05122585), Chairman and Managing Director. -consider and approve the Payment of remuneration to Mr. Vikas Gupta (DIN: 05123386), Whole Time Director. -consider and approve the Payment of remuneration to Mr. Mudit Goyal (DIN: 08099543), Whole Time Director.
8 th AGM- 2019	11.00 A.M. Monday 16 September 2019 Registered Office	No Special Resolution was passed in AGM.
7 th AGM- 2018	11.00 A.M. Saturday 15 September 2018 Hotel KLG Starlite, Plot No. 51, Industrial and Business Park, Phase -ii, Tribune Chowk, Chandigarh - 160002	No Special Resolution was passed in AGM.



B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE FINANCIAL YEAR 2020-21.

During the Financial Year 2020-21, no Special Resolution was passed through Postal Ballot. Also, no Special Resolution is proposed to be conducted through Postal Ballot.

7. DISCLOSURES

A. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed section on 'Management Discussion and Analysis' forms part of this report.

B. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

All related party transactions entered into by the Company were in the ordinary course of business and at arm's length price. Further the same were not having any potential conflict with the interest of the Company. Further, there were no transactions with Related Parties which qualify as material related party transactions under SEBI Listing Regulations.

The Company has disclosed the Related Party Transactions on Financial Statements.

The Company has also formulated a Policy on Related Party Transactions in accordance with the provisions of the Companies Act, 2013 read with Regulation 23 of the SEBI Listing Regulations. The same is available on the Company's website at www.megastarfoods.com

C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

In the preparation of financial statements, the company has followed the Accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable. The Board has also affirmed the above that the Annual Accounts have been prepared as per applicable Accounting Standards and Policies and that sufficient care has been taken for maintaining adequate accounting records.

D. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

Your Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchanges. Further no penalties or strictures were imposed by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the capital market during the last 3 (three) years.

E. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES, ETC.

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilized issue proceeds.

F. VIGIL MECHANISM POLICY

The Company promoted ethical behavior in all its business activities and in line with the best international governance practices, The Company has established a system through which Directors, Employees, Business Associates may report via email or via physical mode the unethical behaviour, malpractices, wrongful conduct, fraud or violation of Company's code of conduct



without any fear of reprisal. The Company has a Vigil Mechanism (Whistle Blower Policy) under which all Directors, Employees and other Business Associates have direct access to the Chairman of the Audit Committee. The same is available on the Company's website at www.megastarfoods.com. During the financial year no personnel has been denied access to the audit committee of the company.

G. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

There is no pecuniary relationship or transactions with Non-Executive Directors except payment of sitting fees to them.

H. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The disclosure regarding the appointment of Directors is given under the head Board of Directors forming part of the Report on Corporate Governance. The relevant details are also forming part of Notice calling AGM of the Company.

I. RISK MANAGEMENT

The Company from time to time apprises the Board of Directors of the Company with the material risks, concerns and its mitigation plans, related to the Company and the Industry in which the Company operates

J. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to provide a protective environment at workplace for all its Employees' man and women to ensure that every Employee is treated with dignity and respect. As mandated under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has also formulated policy for prevention of Sexual Harassment at the workplace. The same is available on the Company's website at www.megastarfoods.com

A statement giving details of Sexual Harassment Complaints during the year is as below:

S. No.	Particulars	No. of Complaints
1.	No. of complaints received during the financial year	Nil
2.	No. of complaints disposed of during the financial year	Nil
3.	No. of complaints pending as on end of the financial year	Nil

K. CEO/ CFO CERTIFICATION

The CEO and CFO certification on the Financial Statements is attached and forming part of the Report on Corporate Governance.

8. MEANS OF COMMUNICATION

FINANCIAL RESULTS AND ANNUAL REPORTS ETC.

The extracts of the Half Yearly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the Company.

The full format of the Half Yearly Results is also sent immediately to all the Stock Exchange wherein the equity shares of the Company are listed. The Half Yearly and Annual Financial Statements, the Annual Report of the Company and other information can also be retrieved by Investors from the website of the Company www.megastarfoods.com under the head investors.



9. GENERAL SHAREHOLDER'S INFORMATION

i. ANNUAL GENERAL MEETING

Day, Date & Time	:	Friday, 24 September 2021, 11.00 A.M.
Financial Calendar	:	The Financial year of the Company start from 1st April each year and ends on 31st March of the following year.

ii. FINANCIAL REPORTING

The Company follows April-March as the financial year. The meetings of the Board of Directors for approval of half yearly financial results for the financial year ended 31 March 2021 were held on the following dates:-

Particulars	Date
Half year ended 30 th September 2020	10 th November, 2020
Half year ended 31 st March, 2021	04 th June, 2021

10. CODE OF CONDUCT

The Company has adopted a Code of Business Conduct and Ethics for Board of Directors, Senior Management Personnel and Other Employees. The same is available on the Company's website at www.megastarfoods.com

The Company has also obtained affirmation for adherence to the Code. The declaration from the Chairman & Managing Director to that effect forms a part of this report.

Declaration as required under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	
All Board of Directors, Senior Management personnel and other employees of the Company have affirmed compliance with the Megastar Code of Business Conduct and Ethics for the Financial Year ended 31 March 2021.	
Chandigarh 04.06.2021	Vikas Goel Chairman & Managing Director DIN: 05122585

11. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF PRACTICE AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019, Megastar Foods Limited is having the Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

Further pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. The same is available on the Company's website at www.megastarfoods.com



12. REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Skyline Financials Services Private Limited, having its office at D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi – 110020 as its Registrar and Transfer Agent (RTA) for transfer of shares of both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the changes made in provisions of Regulation 40 of SEBI Listing Regulations, the transfer of securities shall not be processed unless the securities are held in dematerialized form with effect from 01 April 2019. Further SEBI vide notification dated 08 June 2019 read with press release dated 03 December 2018 had amended Regulation 40 of SEBI Listing Regulations and has mandated all transfers of securities in dematerialized form only w.e.f. 01 April 2019.

The Stakeholders Relationship Committee reviews the share transmissions approved by the RTA, Company Secretary, who have been delegated with requisite authority. All requests for Dematerialization of shares are processed and confirmed to the Depositories, NSDL and CDSL, within 15 days. The Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP) regarding change of address, change of bank mandates and nomination.

14. DEMATERIALIZATION OF SHARES AND LIQUIDITY

Pursuant to the provisions of Regulation 31 of SEBI Listing Regulations, the Company's shares are required to be traded compulsorily in the Dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the depository system is INE00EM01016. The Annual Custodial Fees for the Financial Year 2020-21 has been paid to both the Depositories.

For guidance on depository services, shareholders may write to the Company or to the respective Depositories:

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
Trade World, A Wing 4 th Floor, Kamala Mills Compound, Lower Parel, Mumbai-400013 Telephone: 1800-222-990 E-mail: info@nsdl.co.in Website: www.nsdl.co.in	Marathon Futurex, A-Wing 25 th Floor, N.M. Joshi Marg, Lower Parel, Mumbai- 400013 Telephone: 1800-22-5533 E-mail: heldes@cdslindia.com Website: https://www.cdslindia.com/

15. SHARE TRANSFER SYSTEM

All communications regarding share certificates, change of address, etc. should be addressed to Registrar and Share Transfer Agent of the Company. The Company has delegated authority for approving transmission of shares and other related matters to the Stakeholders Relationship Committee of the Company. A summary of all transmissions etc. so approved by officers of the Company is placed in subsequent meeting of the Stakeholders Relationship Committee of the Company. All share transmissions are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains the certificate of compliance for share transfer/transmission formalities as required under Regulation 40(9) and 40(10) of SEBI Listing Regulations, from a Company Secretary in whole time practice and filed the same with the Stock Exchanges as well on half yearly basis and also placed before the Stakeholders Relationship Committee members and Board of Directors of the Company for noting, comments and advise.

16. LISTING ON STOCK EXCHANGES

The Company's shares is listed and actively traded on the below mentioned Stock Exchange.

I. BSE LIMITED (BSE)

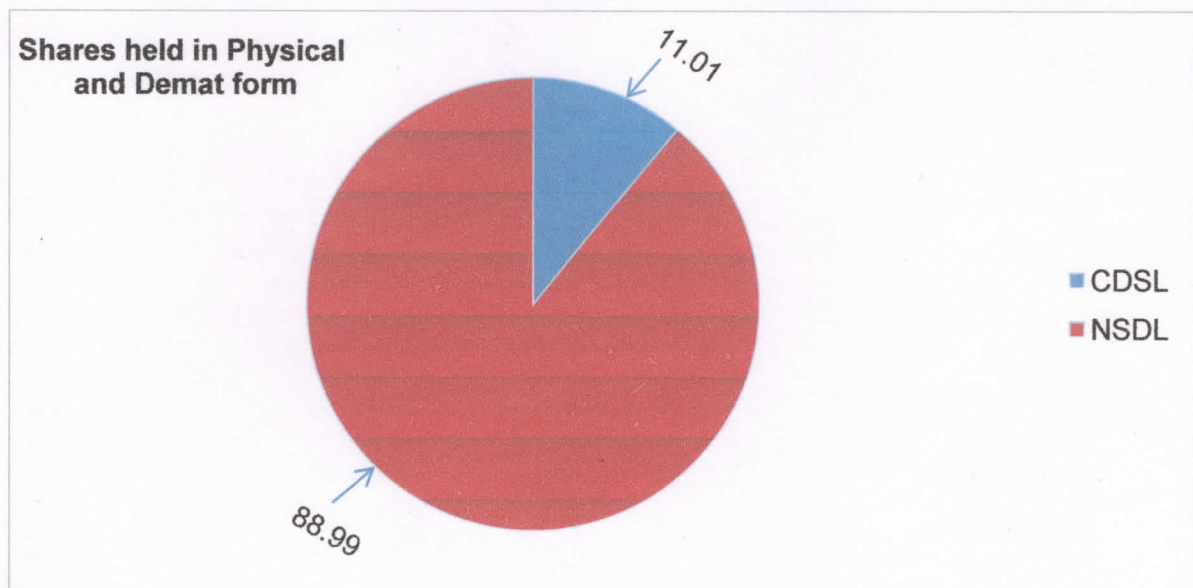
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Website: www.bseindia.com
Stock Code: 541352

Your Company has paid the Annual listing fees to BSE for the Financial Year 2020-21. The trading of the company's shares was not suspended on the stock Exchange at any time during the financial year.

17. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2021

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	0	0.00	0.00	0.00
5001 To 10,000	0	0.00	0.00	0.00
10001 To 20,000	28	22.40	560000.00	0.57
20001 To 30,000	0	0.00	0.00	0.00
30001 To 40,000	38	30.40	1520000.00	1.53
40001 To 50,000	0	0.00	0.00	0.00
50001 To 1,00,000	19	15.20	1520000.00	1.53
1,00,000 and Above	40	32.00	95437000.00	96.36
Total	125	100.00	99037000.00	100.00

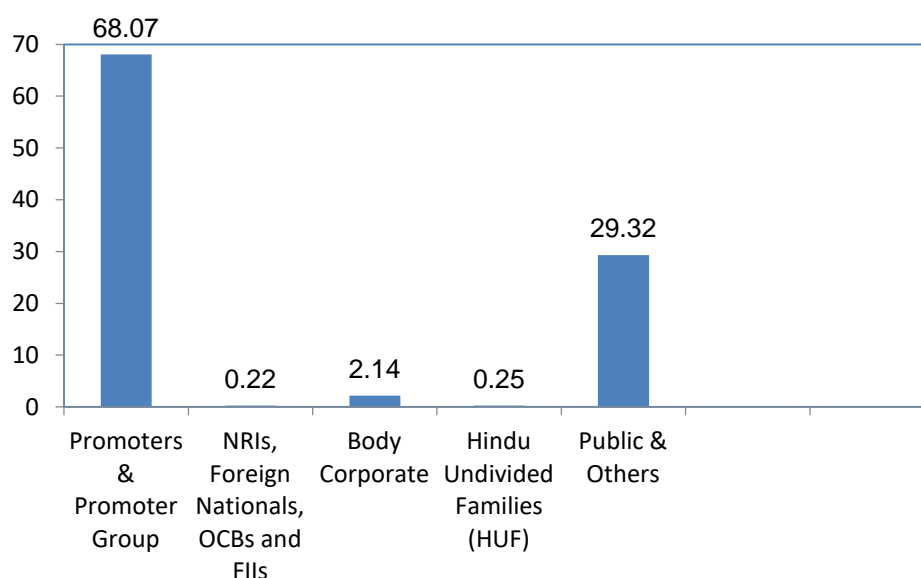
18. SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM AS ON 31 MARCH 2021 (IN %)



19. CATEGORY OF SHAREHOLDING AS ON 31 MARCH 2021

Category	Number of Shares held	%
Promoter & Promoter Group	6741700	68.07%
NRIs, Foreign Nationals, OCBs and FIIs	22000	0.22%
Body Corporate	212000	2.14%
Hindu Undivided Families (HUF)	24000	0.25%
Clearing Members	2904000	29.32%
Total	9903700	100.00%

Category of Shareholders (%)



20. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON 31 MARCH 2021

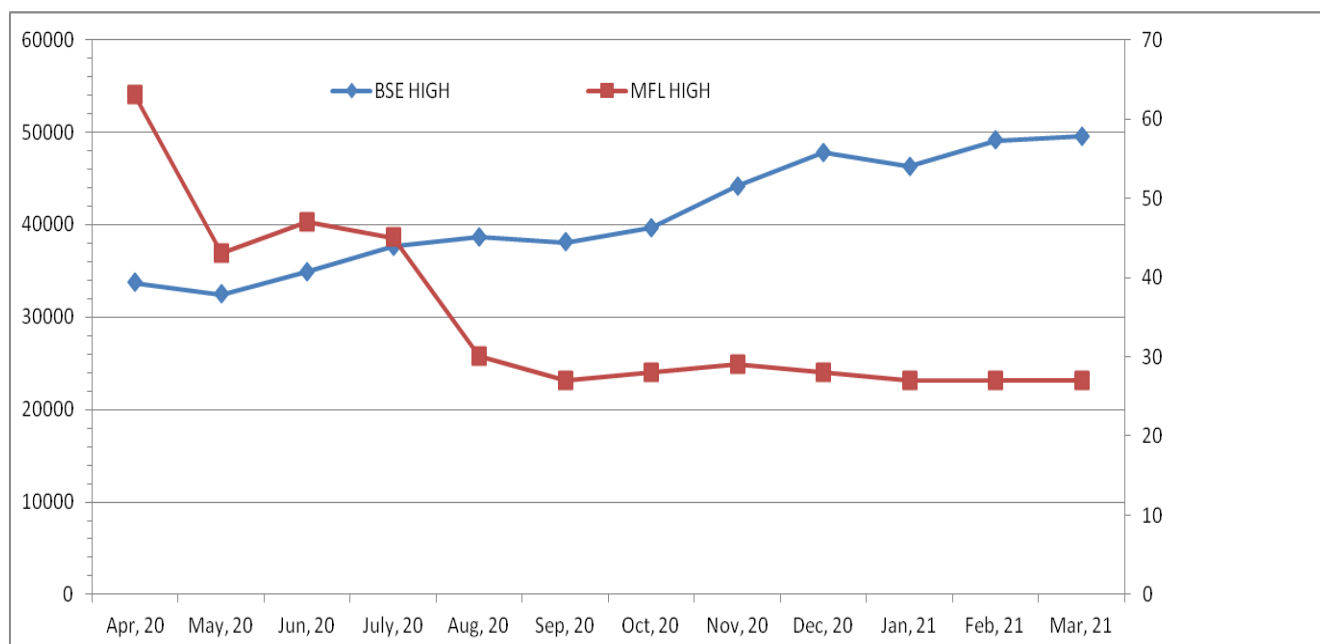
S. No.	Name	Number of Shares
1.	SHIVA BUDHIRAJA	200000
2.	RENU MAKIN	196000
3.	BEELINE MERCHANT BANKING PRIVATE LIMITED	176000
4.	HITESH GARG	162000
5.	PAWAN AGARWAL	136000
6.	DANISH BANSAL	116000
7.	ROOPKANTA ARUN RAJ	114000
8.	ANSHU SHARMA	112000
9.	ANURADHA SHARMA	110000
10.	SANDEEP GOYAL	100000

21. MARKET PRICE DATA

Monthly High and Low quotes and volume of shares traded on BSE Limited (BSE):

Month	BSE Limited			
	High (Rs.)	Low (Rs.)	Number of Shares Traded	Turnover (Rs. in Lacs)
April, 2020	63.20	63.20	2,000	1.26
May, 2020	86.95	43.20	74,000	42.53
June, 2020	54.65	45.55	16,000	7.61
July, 2020	47.05	45.00	8,000	3.66
August, 2020	45.00	29.25	3,04,000	107.44
September, 2020	33.85	25.00	3,12,000	92.27
October, 2020	33.90	28.00	1,18,000	35.72
November, 2020	30.50	28.00	38,000	11.07
December, 2020	30.95	25.10	78,000	22.28
January, 2021	29.40	26.00	82,000	22.24
February, 2021	29.00	25.00	2,20,000	60.18
March, 2021	28.00	25.00	70,000	18.52

22. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES:-





23. OUTSTANDING ADR'S/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

24. RECONCILIATION OF SHARE CAPITAL AUDIT

Mr. Kanwaljit Singh, Practicing Company Secretary, FCS Number 5901, CP Number 5870, Practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the Reconciliation of Total Issued and Listed Capital with that of total share capital admitted/ held in Dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof as required pursuant to Circular No. D&CC/FITTC/CIR-16/2002 31 December 2002 issued by the SEBI and Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 (as amended) is submitted to the Stock Exchanges on quarterly basis and is also placed before the Stakeholders Relationship Committee members and Board of Directors of the Company for noting, comments and advise.

25. DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

26. CERTIFICATE PURSUANT TO THE REGULATION 34 AND SCHEDULE V (C)(10)(I) OF SEBI LISTING REGULATIONS READ WITH SECTION 164 OF COMPANIES ACT, 2013 REGARDING QUALIFICATION/DISQUALIFICATION TO ACT AS DIRECTOR

The Company has received the certificate from Mr. Kanwaljit Singh, FCS Number 5901, CP Number 5870, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.

27. CERTIFICATE PURSUANT TO THE REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF REGULATION 46(2) OF SEBI LISTING REGULATIONS.

The Company has received the certificate from Mr. Kanwaljit Singh, FCS Number 5901, CP Number 5870, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations. The same is attached and forming part of this Report.

28. AUDITORS' REMUNERATION

The Company has appointed M/s.. Avnish Sharma & Associates Chartered Accountants as the Statutory Auditors. The particulars of payment to Statutory Auditors' by the Company during the financial year 2020-21 are as below:

Particulars	Amount (Rupees in Rs. Lacs)
Statutory audit (including fees for limited reviews)	495000
Tax Audit	0
Out of pocket expenses	7367
Total	502367

During the year, there were no such recommendations of the audit committee which were not accepted by the Board of Directors.



29. RATINGS

The Company enjoys a credit rating provided by Brickwork BWR BBB- stable (Reaffirmed) for long term fund base. The Company has not defaulted in payment of its obligations to any financial institutions during FY 2020-21.

30. NON-MANDATORY REQUIREMENTS

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as per Regulation 27(1) of SEBI Listing Regulations:

i) Shareholders' Rights

Within the next few days from the announcement of the audited/unaudited, /half yearly/annual financial results, the Company.

ii) Reporting of Internal Auditor

The Internal Auditors directly reports to the Audit Committee.

iii) **Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed – Not Applicable**

iv) **The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted – Not Applicable**

31. COMPLIANCE OFFICER

Dhiraj Kheriwal
Company Secretary
Plot No. 807, Industrial Area,
Phase-II, Chandigarh -160102
Phone: +91 172 2653807, 5005024
E-mail: cs@megastarfoods.com
CIN: L15311CH2011PLC033393

32. REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE:

Plot No. 807, Industrial Area,
Phase-II, Chandigarh -160102
Phone: +91 172 2653807, 5005024
E-mail: cs@megastarfoods.com
Website: www.megastarfoods.com
CIN: L15311CH2011PLC033393

PLANT LOCATIONS:

- Village Solkhian, Near Ropar Dist., Punjab



33. ADDRESS OF REDRESSAL AGENCIES TO LODGE THE GRIEVANCES

MINISTRY OF CORPORATE AFFAIRS

'A' Wing, Shastri Bhawan, Rajendra Prasad Road,
New Delhi – 110 001
Tel.: (011) 23389602
Website: www.mca.gov.in

SEBI

Plot No.C4-A, 'G' Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051, Maharashtra
Tel : +91-22-26449000 / 40459000
Fax : +91-22-26449019-22 / 40459019-22
Tel : +91-22-26449950 / 40459950
Toll Free Investor Helpline: 1800 266 7575
E-mail : sebi@sebi.gov.in
Website: www.sebi.gov.in

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The Investors' Complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company.

Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26 March 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at the web link https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures_38481.html

STOCK EXCHANGES

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001
Phones : 91-22-22721233/4,
91-22-66545695 (Hunting)
Fax : 91-22-22721919
Email: corp.comm@bseindia.com
Website: www.bseindia.com

DEPOSITORIES

National Securities Depository Limited (NSDL)

Trade World, A Wing, 4th Floor
Kamala Mills Compound
Lower Parel, Mumbai – 400013
Telephone: 1800-222-990
E-mail: info@nsdl.co.in
Website: www.nsdl.co.in



**Central Depository Services (India) Limited
(CDSL)**

Marathon Futurex, A-Wing, 25th Floor N.M.
Joshi Marg, Lower Parel
Mumbai 400013
Telephone: 1800-22-5533
E-mail: helpdesk@cdslindia.com
Website: www.cdslindia.com

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financials Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area Phase-I,
New Delhi – 110020
Tel No.: +91 11 64732681-88
Fax No.: +91 11 26812682
Email: yiren@skylinerta.com

Date: 23.08.2021
Place: Chandigarh

for and on behalf of
MEGASTAR FOODS LIMITED

VIKASGOEL
Chairman-cum-Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386



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

To,

**The Board of Directors
Megastar Foods Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Megastar Foods Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on 31 March 2021 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading:
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) 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.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - I. Significant changes, if any, in the internal control over financial reporting during the year;
 - II. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements: and
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

VIKASGOEL
Chairman cum Managing Director

MANISHA GUPTA
Chief Financial officer

Place: Chandigarh
Date: 29/05/2021



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Megastar Foods Limited,
Plot No. 807, Industrial Area,
Phase II, Chandigarh 160102.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Megastar Foods Limited having CIN: L15311CH2011PLC033393 and having registered office at Plot No. 807, Industrial Area, Phase II, Chandigarh (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Mr. Vikas Goel	05122585	28.11.2011
2.	Mr. Vikas Gupta	05123386	28.11.2011
3.	Mr. Mudit Goyal	08099543	31.03.2018
4.	Mr. Amit Mittal	08099502	04.04.2018
5.	Mr. Prabhat Kumar	08099531	04.04.2018
6.	Mrs. Savita Bansal	08099629	04.04.2018

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

Place: Chandigarh
Date : 23.08.2021
UDIN: F005901C000817021

KANWALJIT SINGH THANEWAL
M. NO. 5901
C.P.NO. 5870



CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Megastar Foods Limited

I have examined the compliance of the conditions of Corporate Governance by Megastar Foods Limited (“the Company”) for the year ended on 31st March, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, to the extent voluntarily adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on 31st March, 2021.

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

Date: 23.08.2021
Place: Chandigarh
UDIN: F005901C000817030

Kanwaljit Singh Thanewal
Company Secretary
M. No. 5901
C.P. No. 5870

Note:- As per Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the provisions relating to Corporate Governance are not statutorily applicable to the company being listed on SME Exchange. This certificate is based on the selective/partial compliance being made voluntarily by the company to adhere to Good Corporate Governance Practices.



STANDALONE FINANCIAL STATEMENTS

2020-21



INDEPENDENT AUDITOR'S REPORT

To the members of Megastar Foods Limited **Report on the Standalone Financial Statements**

Opinion

We have audited the accompanying standalone financial statements of M/s MEGASTAR FOODS LIMITED ("the Company") (formerly MEGASTAR FOODS PRIVATE LIMITED), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 matter are those matters that, in our professional judgement, were most significant in our audit of the standalone financial statement of the current period. Keeping in view the materiality, there is no key matter to be reported separately.

Information other than the Standalone Financial Statements and Auditor's Report thereon

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

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

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

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purpose of our audit.
- (b) In our opinion, proper books of accounts 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 by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- (g) With respect to the matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

UDIN: 21097591AAAAEM7859
Place : Chandigarh
Dated : 04.06.2021

Dinesh Manchanda (M.No. 097591)
Partner

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of M/s MEGASTAR FOODS LIMITED ('the Company') as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 effective conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

UDIN: 21097591AAAAEM7859
Place : Chandigarh
Dated : 04.06.2021

Dinesh Manchanda (M.No. 097591)
Partner

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Reports on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Companies Act, 2013 ('the Act') of Megastar Foods Limited ('the Company')

- 1 In respect to the Company's fixed assets:
 - (a) The company is in the process of updating proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The fixed assets were physically verified during the year by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties which are included under the head 'Property, Plant & Equipment' are held in the name of the company.
- 2
 - (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3 In respect of the loans secured or unsecured, granted by the Company to the companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
 - (a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the company are prima facie, not prejudicial to the interest of the Company.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/or receipts of interest have been regular as per stipulations.
 - (c) There is no overdue amounts as at the year-end in respect of both principal and interest.
- 4 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 Act in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186.
- 5 The Company has not accepted any deposits during the year as covered under section 76 of the Companies Act, 2013. Therefore, the provisions of the clause 3(v) of the order are not applicable to the Company.
- 6 Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- 7 According to the information and explanations given to us, in respect of statutory dues:
 - (a) According to the information and explanations given to us and records of the Company examined by us, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods & service tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess, Goods & Service Tax and other material statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.
- 8 According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company does not have any loans or borrowings from government and has not issued any debentures.

- 9 In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). The monies raised by the term loans during the year have been applied by the Company for the purposes for which they were raised.
- 10 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 11 Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provision of section 197 of the act read with Schedule V to the Act.
- 12 The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- 13 In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- 15 In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its Directors. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

UDIN:21097591AAAAEM7859

Dated : 04.06.2021

Dinesh Manchanda (M.No. 097591)
Partner

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)

AMOUNT IN ` LAKHS

BALANCE SHEET AS ON 31ST MARCH 2021

PARTICULARS	Note No.	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	990.37	990.37
(b) Reserves And Surplus	4	1,645.71	1,220.61
(c) Money received against share warrants		-	-
		2,636.08	2,210.98
2 Share application money pending allotment		-	-
		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	560.23	493.59
(b) Deferred Tax Liabilities (Net)	6	146.60	125.90
(c) Other Long term liabilities	7	2.44	-
(d) Long term provisions	8	17.60	16.03
		726.87	635.52
4 Current Liabilities			
(a) Short Term borrowings	9	4,294.30	1,556.26
(b) Trade Payables	10		
(A) Total outstanding dues of micro enterprises and small enterprises		7.20	6.45
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		234.16	45.94
(c) Other Current Liabilities	11	675.61	206.63
(d) Short Term Provisions	12	18.07	0.77
		5,229.35	1,816.05
TOTAL		8,592.30	4,662.54
II. ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	13	1,821.89	1,735.64
(b) Non -Current Investment	14	250.00	250.00
(c) Deferred Tax Assets (Net)		-	-
(d) Long term loans & advances	15	65.26	97.61
(e) Other Non-Current Assets		-	-
		2,137.15	2,083.24
2 Current assets			
(a) Current Investment		-	-
(b) Inventories	16	4,804.94	1,087.70
(c) Trade Receivables	17	1,618.33	1,357.42
(d) Cash And Cash Equivalents	18	8.85	81.29
(e) Short Term Loans And Advances	19	8.26	39.03
(f) Other Current Assets	20	14.77	13.86
		6,455.15	2,579.30
TOTAL		8,592.30	4,662.54
Significant Accounting Policies	1-2 31		

As per our report of even date attached
For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

For & on behalf of the Board
MEGASTAR FOODS LIMITED

Dinesh Manchanda (M.No. 097591)
Partner
UDIN: 21097591AAAEM7859
Place : Chandigarh
Dated : 04.06.2021

Chairman & Managing Director
DIN: 05122585

Whole Time Director
DIN: 05123386

MANISHA GUPTA
Chief Financial Officer

DHIRAJ KHERIWAL
Company Secretary

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)

AMOUNT IN ` LAKHS

STATEMENT OF PROFIT & LOSS FOR THE PERIOD 1ST APRIL 2020 TO 31ST MARCH 2021

PARTICULARS	Note No.	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Income:			
I Revenue from operations	21	16,529.51	16,296.64
II Other income	22	110.31	8.89
III. Total Revenue (I+II)		16,639.82	16,305.53
IV. Expenses:			
Cost of materials consumed	23	12,841.45	13,496.73
Purchases of Stock-in Trade	24	1,257.29	535.20
Changes in inventories	25	-35.13	(74.50)
Employee Benefits Expense	26	396.80	342.70
Financial Cost	27	247.08	325.22
Depreciation & Amortization Expense	28	161.25	126.26
Other Expenses	29	1,175.57	1,080.20
Total Expenses		16,044.32	15,831.81
V Profit before exceptional and extraordinary items and tax (III-IV)		595.50	473.73
VI Prior Period Expenses	30	0.46	0.14
VII Profit Before tax		595.04	473.59
VIII Tax Expense:			
Current Tax		149.24	105.13
Deferred Tax Expense/(Income)		20.70	28.07
MAT Reverse		-	-
IX Profit After Tax		425.10	340.39
X Earnings Per Equity Share:			
(1) Basic (` in absolute figure)		4.29	3.44
(2) Diluted (` in absolute figure)		4.29	3.44
Significant Accounting Policies	1-2		
Notes on Financial Statements	31		

As per our report of even date attached

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

For & on behalf of the Board
MEGASTAR FOODS LIMITED

Dinesh Manchanda (M.No. 097591)
Partner
UDIN: 21097591AAAEM7859

VIKAS GOEL
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386

Place : Chandigarh
Dated : 04.06.2021

MANISHA GUPTA
Chief Financial Officer

DHIRAJ KHERIWAL
Company Secretary

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

AMOUNT IN ` LAKHS

PARTICULARS	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	595.04	473.59
Add:-		
Adjustment for depreciation	161.25	126.26
Provision for gratuity	2.00	5.50
Loss on sale of car	-	0.01
Interest on Loans taken	231.35	306.27
Less:-		
Interest Income	5.80	5.01
Provision Reversed	-	-
	388.80	433.04
Operating profit before working capital changes	983.84	906.64
Current assets		
(Increase)/decrease in debtors	-260.91	78.42
(Increase)/decrease in stock	-3,717.25	853.10
(Increase)/decrease in advances	13.40	-7.49
(Increase)/decrease in other current assets	-0.90	-3.82
Current liabilities		
Increase/(decrease) in creditors	191.42	-2.69
Increase/(decrease) in expenses payable	468.98	-34.01
Cash generated from operations	-2,321.42	1,790.15
Direct Taxes paid	115.00	81.04
Interest on working capital loan	174.26	235.83
Net cash from operating activities	-2,610.68	1,473.28
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in shares	-	-250.00
Investment in Advances	32.35	-61.79
Fixed assets purchased	-247.50	-319.35
Fixed assets Sold	-	2.00
Interest received	5.80	5.01
Net cash from investing activities	-209.35	-624.13
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share Capital	-	-
Proceeds from share premium account	-	-
Proceeds/(Repayment) of Secured loans	3,181.00	-502.14
Proceeds/(Repayment) of unsecured loans	-376.32	-212.69
Interest/charges paid on loans	-57.09	-70.44
Net cash from financing activities	2,747.59	-785.28
Net Change In Cash and Cash equivalent (A+B+C)	-72.44	63.87
CASH & CASH EQUIVALENT		
	(g)	
Opening Balance	81.29	17.42
Cash & cash equivalent	-72.44	63.87
Closing balance	8.85	81.29

Notes :

1. The above 'Cash Flow Statement' has been prepared under the indirect method as set out in accounting standard-3 Cash Flow Statements.
3. Previous year figures have been regrouped and recasted wherever necessary to conform to the current year figures.
4. The Cash Flow Statement for the year has been prepared by Rounding off to Rs. in compliance with Schedule III of the Companies Act, 2013.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

On behalf of the Board
MEGASTAR FOODS LIMITED

Dinesh Manchanda (M.No. 097591)
Partner
UDIN: 21097591AAAEM7859

21097591AAAEM7859
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386

Place : Chandigarh
Dated : 04.06.2021

MANISHA GUPTA
Chief Financial Officer

DHIRAJ KHERIWAL
Company Secretary

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)
Significant Accounting Policies and Notes forming part of the Financial Statements
Year Ended: 31-Mar-2021

1

COMPANY OVERVIEW

Megastar Foods Limited is engaged in the business of Roller Flour Mills manufacturing Wheat Products. The company was incorporated on 28th November, 2011 under the Companies Act, 1956. The company has its Registered Office and Head Office at 807, Industrial Area, Phase II, Chandigarh and Plant in Ropar District, Punjab.

2

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS

a) Basis of Accounting

The Financial Statements are prepared as a going concern under historical cost convention as on accrual basis except those with significant uncertainty and in accordance with mandatory accounting standard under section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rule 2014 and the relevant provisions of the Act. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles and mandatory accounting standards.

b) Use of estimates

The presentation of financial statements requires the estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/materialised.

c) Property, Plant and Equipments

Property, Plant and Equipments are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition . All pre-operative expenditure including interest on borrowings, specifically for the acquisition/project or interest on general borrowings to the extent utilized for such project, for the period up to the completion of erection is capitalized as part of the asset cost. Indirect expenditure related to acquisition & erection of machineries for the period up to the completion of such erection is treated as pre-operative expenditure and allocated on pro-rata basis.

d) Inventories

Inventories are valued as follows:

Raw Materials, stores and spares: Lower of cost and net realisable value. Cost is determined on FIFO basis.

Work-in-progress and finished goods: Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads.

Refrection At net realisable value.

e) Investment in Subsidiaries

The investment in subsidiaries are carried in the financial statements at historical cost except when the investment is classified as held for sale in which case it is accounted for as non -current assets held for sale and discontinued operations. Investments in subsidiaries carried at cost are tested for impairment. Any impairment loss reduces the carrying value of the investment.

f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

g) Revenue Recognition

(1) Revenue from the sales is recognised when significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with the delivery.

(2) Net sales are net of sales returns, discounts, claims and rebates and inclusive of taxes

(3) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

h) Borrowing Costs

Borrowing Costs attributable to the acquisition or construction of qualifying fixed assets, are capitalised as part of the cost of such assets upto the date of commencement of commercial production/put to use of plant. Other borrowing costs are charged to revenue.

i) Depreciation

Depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act, 2013. Depreciation on additions to or disposal of assets is calculated on pro-rata basis.

Type of Asset	Period
Building	60 years
Plant & Machinery	15 years
Lab Equipments, Electrical Installations, Furniture & Fixtures, Plastic Pallets	10 years
Motorcycle	10 years
Car & Truck	8 years
Office Equipments	5 years
Computer	3 years

j) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

k) Foreign currencies transactions

(1) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

(2) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

(3) Non-monetary foreign currency items are carried at cost.

l) Retirement and other employee benefits

(1) Retirement benefits in the form of provident fund, which are defined contribution plans, are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(2) Gratuity and leave encashment which are defined benefits, are accrued based on actuarial valuation at the Balance Sheet date carried out by an independent actuary using the projected unit credit method.

m) Provision for Current and Deferred Tax

Current tax is measured at the amount expected to be paid to the revenue authorities, using the applicable tax rates and laws.

Deferred tax for timing differences between the book and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and written down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

3 SHARE CAPITAL

Particulars		AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
3.1	Authorised Share Capital		
a)	1,50,00,000 (Previous year 1,50,00,000) Equity Shares of ` 10/- Each	1,500.00	1,500.00
		1,500.00	1,500.00
	Issued, Subscribed & Paid up :		
a)	86,50,000 (Previous year 86,50,000) Equity Shares of ` 10/- Each fully paid	865.00	865.00
b)	12,53,700 (Previous year 12,53,700) Equity Shares of ` 10/- Each issued as fully paid Bonus Shares	125.37	125.37
	Total	990.37	990.37

3.2 Terms/Rights attached to Equity Shares

The company has only one class of Equity Shares having face value of ` 10/- each (Previous year ` 10/- each) in its issued, subscribed and paid up Equity share capital. Each shareholder is entitled to one vote per share. Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to shareholding. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

3.3 The Reconciliation of the number of share outstanding is set out below:

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
	No. of shares	No. of shares
Numbers of Equity Shares at the beginning of the year	99,03,700	99,03,700
Add: Numbers of Equity shares issued during the year	-	-
Equity Shares at the end of the year	Total 99,03,700	99,03,700

3.4 The details of Shareholders holding more than 5% shares.

Name of the Share holders	AS AT 31ST MARCH, 2021		AS AT 31ST MARCH, 2020	
	No. of shares	% held	No. of shares	% held
Vikas Gupta	21,39,900	21.61%	21,39,900	21.61%
Vikas Goel	24,92,660	25.17%	24,92,660	25.17%
Pankaj Goyal	11,21,054	11.32%	11,21,054	11.32%

4 RESERVES & SURPLUS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Statement of Profit & Loss		
As Per last Balance Sheet	725.99	385.59
Add: Profit/(Loss) for the year	425.10	340.39
	1,151.09	725.99
(b) Securities Premium		
Opening Balance	494.60	494.60
Less: Share Issue Expenses	-	-
	494.60	494.60
(c) Other Reserve Sh Ganesh Ji Maharaj	0.02	0.02
Total	1,645.71	1,220.61

5 LONG TERM BORROWINGS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Secured		
(a) Term loans from Banks	606.58	105.91
Less: Current maturities	108.80	38.34
	497.78	67.58
(b) Vehicle loans From Banks	88.02	51.83
	56.07	23.93
(c) Vehicle loans From NBFC/Others	25.77	43.60
Less: Current Maturities	19.39	17.83
	6.38	25.77
	560.23	117.27
Unsecured		
(d) Loans and advances from related parties From Directors & relatives	-	10.99
(e) Loans From HDFC Bank	-	400.61
Less: Current Maturities	-	35.27
	-	365.33
	-	376.32
Total	560.23	493.59

1. (a) Term loans from banks are secured by first charge on land & building of the company, future and current fixed assets of the company financed. These loans are further secured by personal guarantee of the promoters/ directors.

2. (b) & (c) Vehicle loans from banks and NBFC are secured by hypothecation of vehicles financed.

3. Terms of Repayments and Rate of interest of all loans

S.No.	Name of Lender	Rate of Interest	Repayment Periodicity	No. of Installments Outstanding	EMI/Installments
1	HDFC Term Loan 84237777	MCLR* + 0.15%	Monthly	19	380767
2	HDFC GECL Loan 8756413	8.00%	Monthly	36	1695254
3	HDFC Truck Loan 82831839	7.90%	Monthly	7	60850
4	HDFC Truck Loan 83410078	8.90%	Monthly	6	69865
5	HDFC Truck Loan 83593676	9.50%	Monthly	10	79826
6	UBI Car Loan	9.00%	Monthly	16	50880
7	UBI Car Loan-90470	7.40%	Monthly	75	61156
8	HDFC Truck Loan 84844118	8.11%	Monthly	55	64990
9	TATA Motors Truck Loan	9.51%	Monthly	13	80090
10	Daimler Financial Services Car Loan	8.15%	Monthly	18	94221

* Current 1 year MCLR is 7.20%

6 DEFERRED TAX LIABILITIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Deferred Tax Liabilities on account of : Difference between book value of depreciable assets and WDV for tax purposes	147.16	127.43
Deferred Tax Assets on account of : Provisions for Employees Benefits	0.56	1.53
Deferred Tax Liabilities (Net)	146.60	125.90

7 OTHER LONG TERM LIABILITIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Creditors for Capital Assets		
(a) Total outstanding dues of micro enterprises and small enterprises*	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.44	-
Total	2.44	-

*The above outstandings includes NIL amount (PY Nil) towards its suppliers being registered under the Micro, Small and Medium Enterprises Development Act, 2006 and disclosures are based on the information available with the company regarding status of suppliers under MSME Act, 2006.

8 LONG TERM PROVISIONS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Provisions for Employee benefits	17.60	16.03
Total	17.60	16.03

9 SHORT TERM BORROWINGS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Secured		
(a) Loans repayable on demand		
From Banks		
- HDFC Cash Credit A/c*	2,480.37	1,556.26
- HDFC Bank WHR Loan **	1,813.93	-
Total	4,294.30	1,556.26

*Working Capital facilities are secured by Hypothecation of Stock, debtors & all other current assets of company and extension of charges on block fixed assets. These loans are further secured by personal guarantee of the promoters/directors. Interest rate is 1 year REPO + 3% and present 1 year REPO is 4%.

**Capital facilities against warehouses are secured by Hypothecation of Stock of company. These loans are further secured by personal guarantee of the promoters/directors. Interest rate is 7.25%.

10 TRADE PAYABLES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Total outstanding dues of micro enterprises and small enterprises*	7.20	6.45
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Trade Creditors- Raw Material	81.10	4.00
- Services & others	153.06	41.94
Total	241.37	52.39

*The above outstandings includes ` 7.20 lakhs amount (PY ` 6.45 lakhs) towards its suppliers being registered under the Micro, Small and Medium Enterprises Development Act, 2006 and disclosures are based on the information available with the company regarding status of suppliers under MSME Act, 2006.

11 OTHER CURRENT LIABILITIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Current maturities of long-term debt		
From Banks	140.75	101.52
From Nbf/Others	19.39	17.83
(b) Interest accrued but not due	32.62	18.92
(c) Statutory dues	8.04	8.42
(d) Other payables	40.73	59.94
(e) Advances from customers	434.07	-
Total	675.61	206.63

12 SHORT TERM PROVISIONS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Provision for employee benefit	1.20	0.77
(b) Provision for Income Tax	149.24	105.13
Less: MAT Credit	9.66	26.08
Less: Advance Tax	115.00	79.05
Less: TDS & TCS	7.71	-
	16.87	-
Total	18.07	0.77

14 NON- CURRENT INVESTMENTS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
At Cost		
(a) Investments in Equity Instruments - Megapacific Ventures Pvt. Ltd. [25,00,000 equity shares (PY NIL) of ` 10/- each]	250.00	250.00
Total	250.00	250.00

Aggregate amount of quoted investments		
Aggregate amount of unquoted investments	250.00	-
Names of the Companies/ Relationship		
- Megapacific Ventures Pvt. Ltd. (100% Subsidiary Company)	250.00	-

15 LONG TERM LOANS & ADVANCES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Loans Receivables considered good - Secured	-	-
(b) Loans Receivables considered good - Unsecured - Security deposits with Govt & others - Loan to Megapacific Ventures P Ltd. (100% subsidiary)	35.04 30.22	35.31 62.30
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables - credit impaired	-	-
Total	65.26	97.61

* Advance given to wholly owned subsidiary is @10% interest rate.

16 INVENTORIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Raw materials	4,500.98	778.86
(b) Finished goods	216.83	181.70
(c) Consumable Stores	1.56	2.57
(d) Others - Packing Material	85.57	88.71
(e) Stock in Transit	-	35.85
Total	4,804.94	1,087.70

Note:- Mode of Valuation

- a) Finished Goods are valued at Lower of cost and net realisable value.
- b) Raw material is valued at cost or market value whichever is lower and are on FIFO basis
- c) Packing materials and consumables are valued at cost.
- d) Stock in transit is valued at the price of acquisition received after balance sheet date but billed prior to that.

17 TRADE RECEIVABLES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Trade receivables considered good - Unsecured	1,618.33	1,342.04
(b) Trade receivables which have significant increase in credit risk*	-	14.32
Total	1,618.33	1,357.42

*The trade receivables includes outstanding amount of ` NIL (PY ` 15.38 lakhs) due from certain parties, where company has filed court cases. In this regard, management is confident about full recovery/realisability considering the past performance of the customer and recovery initiative taken by the company, hence no provision is made in the books of account during the year.

18 CASH AND CASH EQUIVALENT

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Balances with banks		
(i) In Current Accounts		
- Union Bank of India	-	30.19
- Union Bank of India-884	-	0.36
- Union Bank of India-Cash Credit	1.01	39.58
- HDFC Bank Ltd. - 85679	4.98	-
(ii) In Deposit Account*		
- UBI FDR (166795)	-	4.31
- UBI FDR (66166)	-	0.48
- UBI FDR (166632)	-	2.59
(b) Cash in hand & imprest	2.86	3.76
Total	8.85	81.29

*Fixed deposits held as margin money and lien marked for issuing bank gurantee amounting to Rs. NIL (Pr. Yr. NIL)

19 SHORT TERM LOANS & ADVANCES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Loans Receivables considered good - Secured	-	-
(b) Loans Receivables considered good - Unsecured		
1 Advances recoverable in cash or in kind	5.73	26.20
2 Balances with Revenue authorities	2.54	12.83
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables - credit impaired	-	-
Total	8.26	39.03

20 OTHER CURRENT ASSETS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Unsecured (Considered Good)		
(a) Prepaid Expenses	14.77	13.86
Total	14.77	13.86

MEGASTAR FOODS LIMITED
PROPERTY, PLANT AND EQUIPMENT SCHEDULE FOR THE YEAR ENDED 31.03.2021

NOTE NO -13

AMOUNT IN ` LAKHS

PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON	ADDITION	SALE/	AS ON	UPTO THE END	FOR THE	WRITTEN	TOTAL	AS ON	AS ON
		01.04.2020		ADJUST.	31.03.2021	OF PREVIOUS YR.	YEAR	BACK		31.03.2021	31.03.2020
Land		96.20	31.08	-	127.28	-	-	-	-	127.28	96.20
Building	1.58%	406.69	25.49	-	432.18	31.32	6.77	-	38.09	394.09	375.37
Capital WIP (Building)		20.87	-	20.87	-	-	-	-	-	-	20.87
Car	11.88%	139.48	64.12	-	203.60	32.36	22.27	-	54.62	148.97	107.12
Motor Cycle	9.50%	1.17	-	-	1.17	0.29	0.11	-	0.40	0.77	0.88
Electrical Installation	9.50%	23.49	0.12	-	23.61	10.68	2.24	-	12.92	10.69	12.81
Plant & Machinery	6.33%	1,016.35	149.84	-	1,166.20	287.08	72.26	-	359.33	806.86	729.28
Capital WIP (P & M)		111.93	0.02	111.96	-	-	-	-	-	-	111.93
Plastic Pallets	9.50%	1.35	-	-	1.35	0.14	0.13	-	0.27	1.08	1.20
Laboratory Equipments	9.50%	43.16	25.38	-	68.54	6.57	5.08	-	11.66	56.88	36.58
Office Equipments	19.00%	6.85	4.28	-	11.13	3.51	1.35	-	4.86	6.27	3.35
Computer	31.67%	11.50	21.58	-	33.08	7.62	5.70	-	13.32	19.76	3.89
Furniture & Fixture	9.50%	8.94	0.62	-	9.56	3.47	0.89	-	4.36	5.20	5.47
Truck	11.88%	332.09	83.11	-	415.20	126.71	44.44	-	171.16	244.04	205.38
Truck (WIP)		25.29	-	25.29	-	-	-	-	-	-	25.29
		2,245.38	405.62	158.12	2,492.88	509.74	161.25	-	670.99	1,821.89	1,735.64
<i>Pr. Yr. Figures</i>		<i>1,929.58</i>	<i>565.29</i>	<i>249.50</i>	<i>2,245.38</i>	<i>385.01</i>	<i>126.26</i>	<i>1.54</i>	<i>509.74</i>	<i>1,735.64</i>	<i>1,544.57</i>

NOTES ANNEXED TO AND FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

21 REVENUE FROM OPERATIONS

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Domestic Sales	16,042.26	16,083.62
Export Sales	487.25	213.02
Total	16,529.51	16,296.64

22 OTHER INCOME

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Duty Drawback	0.55	-
Interest received	5.80	5.01
Insurance claim received	7.53	3.40
Bad Debts Recovered	-	0.49
VAT Refund Received*	96.43	-
Total	110.31	8.89

*VAT refund received is for excess VAT charged by FCI on wheat purchases in earlier years now returned.

23 COST OF MATERIAL CONSUMED

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Opening Stock		
Raw Material of Wheat	778.86	1,744.70
Packing Material	88.71	80.38
Add : Purchases		
- Wheat & other ingredients	16,150.59	12,182.48
- Packing Material	221.15	234.04
Add:-		
Freight inward	149.39	81.39
Packing Charges	39.31	41.31
	17,428.01	14,364.30
Less: Closing Stock		
Raw Material of Wheat	4,500.98	778.86
Packing Material	85.57	88.71
Total	12,841.45	13,496.73

24 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Purchases of Goods	1,257.29	535.20
Total	1,257.29	535.20

25 CHANGE IN INVENTORY OF FINISHED GOODS/STOCK-IN-TRADE

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Opening Balance	181.70	107.20
Less:- Closing Balance	216.83	181.70
Net Increase/ Decrease in Goods	(35.13)	(74.50)

26 EMPLOYEE BENEFITS EXPENSES

Directors' Remuneration	114.00	90.00
Salaries, Wages & Bonus*	260.90	232.35
Staff Welfare Expenses	7.11	5.21
Provident Fund including welfare fund	7.63	7.20
Contribution to ESI	3.87	2.44
Gratuity Paid/provided	3.29	5.50
Total	396.80	342.70

*Salaries include bonus & performance bonus of 10,06,068/-

27 FINANCIAL COST

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Bank Charges	15.73	18.95
Interest on borrowings*	231.35	306.27
Total	247.08	325.22

*Interest on borrowings is net of interest capitalised for fixed Assets procurement in pre operation period

28 DEPRECIATION & AMORTISATION

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Depreciation	161.25	126.26
Total	161.25	126.26

29 OTHER EXPENSES

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Manufacturing		
<u>Consumable Stores</u>		
Opening Balance	2.57	8.52
Purchases	22.45	18.32
Closing Balance	1.56	2.57
Consumed	23.46	24.27
Power & Fuel	286.53	290.57
Labour Charges	102.06	98.94
Insurance	10.40	5.41
Lab Testing Expenses	10.69	9.34
Pest Control	6.65	5.11
Repair & Maintenance Expenses	14.61	20.03
Repairs Plant & Machinery	30.13	23.04
	461.06	452.43
	484.52	476.70
Administrative Expenses		
Auditor's Remuneration	5.83	5.37
Donation	12.28	2.03
Insurance	2.19	1.81
Interest on Taxes	0.59	0.27
Internal Audit Fees	1.80	1.80
Legal & Professional Expenses	23.47	16.46
Loss on sale of Fixed Assets	-	0.01
Meeting Fees to directors	0.56	0.61
Miscellaneous Expenses	4.51	4.33
Penalty	0.17	0.61
Printing & Stationery	1.71	2.83
Rate, Fees & Taxes	1.31	4.10
Rent Expenses	38.08	33.24
Repair & Maintenance	10.83	6.58
Security Service	11.49	10.29
Telephone Expenses	2.24	2.38
Travelling & Conveyance	14.47	19.23
Vehicle Running & Maintenance	6.52	5.15
	138.05	117.09
Selling & Distribution Expenses		
Advertisement & Publicity	0.37	0.40
Bad debts	29.29	-
Business Promotion	19.45	14.03
Commission & Brokerage	27.60	8.88
Insurance	5.20	4.57
Job work	4.55	-
Freight Outward	190.00	163.69
Goods & Service Tax & VAT	10.45	21.30
Rebate & Discount	59.12	70.82
Truck Running & Maintenance	206.97	202.71
	553.00	486.40
Total	1,175.57	1,080.20

30 PRIOR PERIOD ITEMS

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Prior Period Expenses	0.46	0.14
Total	0.46	0.14

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)

AMOUNT IN ` LAKHS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Statutory dues		
ESI Payable	0.40	1.32
GST Payable	0.30	1.10
Labour Welfare Fund Payable	0.14	0.14
PF Payable	1.31	1.29
Professional Tax Payable	0.71	-
TDS Payable	4.26	4.58
TCS Payable	0.92	-
	8.04	8.42
Security Deposits:		
Electricity Security	33.95	33.95
Telephone Security	0.03	0.03
GS1 India Security	0.03	0.03
Security Markfed	0.75	0.75
Security of Oxygen Cylinder	0.18	0.18
LPG Security	0.08	0.05
Modem Security (Star Video Systems)	0.02	0.02
Security of Water Supply	0.01	0.01
Lindstrom Services India	-	0.30
	35.04	35.31
Short Term Loans & Advances:		
Advances recoverable in cash or in kind		
Other Advance	5.26	25.73
Duty Draw back recoverable	-	0.10
Toyota Financial TDS Recoverable	0.06	0.06
Daimler Financial Services TDS Recoverable	0.14	0.11
Tata Motor Finance TDS Recoverable	0.13	0.19
Nestle TCS Recoverable	0.14	-
	5.73	26.20
Balance with Revenue authorities		
Tax Recoverable (2019-20)	2.54	3.14
MAT Recoverable (2017-18)	-	9.66
GST Cash Account/TDS	-	0.03
	2.54	12.83

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)

31

NOTES TO ACCOUNTS

31.1

Related party disclosure

As per AS-18 'Related Party Disclosures' issued by ICAI the disclosures of transactions with related concerns are as follow:-

Particulars	Name
Key Managerial Personnel (KMPs)	Mr. Vikas Goel, Chairman cum Managing Director
	Mr. Vikas Gupta, Whole Time Director
	Mr. Mudit Goyal, Whole Time Director
	Ms. Manisha Gupta, Chief Financial Officer
	Mr. Dhiraj Kheriwal, Company Secretary (with effect from 16th March 2021) and Mr. Robin Kumar, Company Secretary (resigned on 20th January 2021)
Subsidiary	M/s Megapacific Ventures Pvt. Ltd. (100% subsidiary)
Independent Directors	Mr. Amit Mittal, Mr. Prabhat Kumar, Ms. Savita Bansal
Relatives of KMPs	Mr. Satpal Gupta, Mr. Madan Lal Aggarwal, Mrs. Indira Rani, Ms. Shivani Gupta, Ms. Savita Goyal, Mr. Pankaj Goel, Mr. Amit Goel
Enterprises over which KMP or their relatives are able to exercise significant influence	Ganesh Flour Mills, Madan Lal Vikas Kumar, Kulwant Rai Ram Kishan, Madan Lal Aggarwal (HUF), Baisakhi Mal Ram Kishan, Shree Ganesh Grain Products, VM Foods

Details of transactions during the year where related party relationship existed:

Name	Nature of Transaction	Amount (₹ in lakhs)	
		For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Vikas Goel	Loan received/repaid	11.50	-
	Interest Paid	0.55	1.22
	Salary Paid (including perks)	49.00	41.80
Vikas Gupta	Loan received/repaid	-	248.09
	Interest Paid	-	19.52
	Salary Paid (including perks)	49.00	41.80
Mudit Goel	Salary Paid (including perks)	27.10	21.10
Amit Mittal	Sitting Fees Paid	0.21	0.22
Prabhat Kumar	Sitting Fees Paid	0.14	0.17
Savita Bansal	Sitting Fees Paid	0.21	0.22
Manisha Gupta	Salary Paid	11.78	2.66
Vijay Sharma	Salary Paid	-	5.12
	Advance given/repaid	-	2.04
Robin Kumar	Salary Paid	4.01	4.20
Dhiraj Kheriwal	Salary Paid	0.26	-
Savita Goyal	Salary Paid	6.75	-
Shivani Gupta	Salary Paid	6.75	-
Satpal Gupta	Salary Paid	3.60	3.60
	Rent Paid	12.00	12.00
Amit Goel	Rent Paid	6.00	6.00
Pankaj Goel	Rent Paid	6.00	6.00
Indira Rani	Rent Paid	-	3.00
Madan Lal	Rent Paid	6.00	3.00
Ganesh Flour Mills	Purchases	496.91	387.89
	Sales	60.13	122.69
Kulwant Rai Ram Kishan	Rent Paid	0.60	0.60
Baisakhi Mal Ram Kishan	Sales	0.30	50.70
Shree Ganesh Grain Products	Sales	30.04	15.05
VM Foods	Purchases	117.19	-
	Sales	5.17	-
Director's Travelling	Travelling Expenses	12.33	9.78
Megapacific Ventures Pvt. Ltd.	Loan received back	42.00	60.00
	Interest received	4.24	2.55

Details of outstanding balances as at the year end where related party relationship existed:

Name	Nature of Balance	Amount (₹ in lakhs)	
		AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Vikas Goel	Unsecured Loan outstanding	-	10.99
	Salary Payable	3.35	2.05
Vikas Gupta	Salary Payable	3.73	2.14
Megapacific Ventures Pvt Ltd	Advance outstanding	30.22	62.30
Shivani Gupta	Salary Payable	0.67	-
Savita Goel	Salary Payable	0.75	-
Baisakhi Mal Ram Kishan	Debtors outstanding	-	0.26

31.2 Earning Per Share

As per AS 20 of ICAI the EPS is worked out as under:

Particulars	2021	2020
Net Profit available to shareholders as 21097591AAAAEM7859	425.10	340.39
Weighted average number of shares	99,03,700	99,03,700
Earning per share- Basic and diluted (₹)	4.29	3.44
Face value per equity share (₹)	10.00	10.00

31.3 Auditor's Remuneration without GST

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Audit of financial statements & tax audit	4.95	4.20
GST Audit	0.55	-
Certifications	0.20	0.85

31.4 Deferred Tax Calculation

Deferred tax is calculated as per AS-22 issued by ICAI as under:

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
WDV as per Companies Act (A)	1,821.89	1,735.64
WDV as per Income Tax Act (B)	1,292.92	1,277.57
Timing Difference (A-B)	528.97	458.07
Timing Difference For Gratuity	2.00	5.50
Timing Difference	526.97	452.57
Closing Deferred Tax Liability	146.60	125.90
Opening Deferred Tax Liability	125.90	97.84
Deferred Tax Expense (Income)	20.70	28.07

31.5 Contingent liabilities and commitments

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
A.Contingent liabilities not provided for in respect of		
i) Bank Guarantee outstanding	514.08	NIL
ii) Claim against the Company not acknowledged as debts*	NIL	NIL
iii) Unexpired letter of credit	NIL	NIL
B. Capital commitments (Net of advance 21097591AAAAEM7859)	NIL	NIL

31.6 Information on Transactions in Foreign Exchange

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Value of Imports Calculated on C.I.F Basis	NIL	NIL
Expenditure in foreign currency		
- Travelling & others Expenses	NIL	NIL
Earnings in foreign currency (on accrual basis)		
- FOB value of Exports	487.25	213.02

31.7 Consumption of Raw Materials and Stores etc.

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Raw Material Consumed:		
- Imported	NIL	NIL
- Indigenous	12,841.45	13,496.73
Spare Parts and Components Consumed:		
- Imported	NIL	NIL
- Indigenous	23.46	24.27

31.8

Purchase and sales figures in financial statements are inclusive of GST and net of sales return and reconciliation of sales and purchase as compared to books of accounts to make on inclusive method as per ICDS of accounting are

Particulars	Sales	Purchase	Expenses
Amount exclusive of GST in books	16529.47	221.15	-
GST	14.19	0.64	13.55
Total Amount as per financial statements	16543.66	221.79	13.55

31.9 Employee Benefits

Disclosures as per AS-15 (Revised) 'Employee Benefits' for year ended March 31, 2021:-

Defined Contribution Plan:

During the year the company has recognized the following amounts in the profit and loss account

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Employers Contribution to Provident Fund	6.81	6.43

II Defined Benefit Plan:

The following table set out the status of the gratuity plan as required under AS-15

Particulars	2021	2020
	in lakhs	in lakhs
I. Amount to be recognized in the Balance sheet		
Present value of obligation as at year end	23.37	16.80
Fair value of plan assets as at year end	-	-
Funded Status [surplus/(deficit)]	-23.37	-16.80
Net Assets/(Liability) recognized in Balance sheet	-23.37	-16.80
II. Expenses recognized during the period		
Current Service Cost	5.58	6.35
Interest Cost	1.05	0.71
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss	-3.35	-1.56
Net Expenses Recognized	3.29	5.50
III. Reconciliation of opening and closing balance of Defined Benefit Obligation		
Present value of Obligation at the beginning of the period	16.80	11.30
Current Service Cost	5.58	6.35
Interest Cost	1.05	0.71
Actuarial (gain)/loss on obligations	-3.35	-1.56
Benefit Paid	3.29	-
Present value of Obligation at the end of the period	23.37	16.80
IV. Actuarial/Demographic assumptions:-		
Indian Assure Lives Mortality Table	2012-14	2012-14
Discount Rate (per Annum)	6.25%	6.25%
Estimated rate of increase in compensation level	5.00%	5.00%
Retirement Age	58 years	58 years
Disability	No explicit Allowance	No explicit Allowance

31.10 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMD Act, 2006"):

The micro and small enterprises have been identified by the company from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

Particulars	2021	2020
	in lakhs	in lakhs
(1) Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- principal amount	7.20	6.45
- interest amount	0	0
(2) The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0	0
(3) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	0	0
(4) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0	0
(5) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	0	0

The information has been given in respect of such vendors to the extent they could be identify as "Micro, Small & Medium Enterprises" on the basis information available with the Company.

31.11 Segment Reporting

As per guidelines contain in AS-17 (Segment reporting), the company is operating in a single segment mainly in manufacture and sale of wheat and wheat products. There is no separate reportable segment except geographically secondary segment of export sales and hence not reported separately.

31.12 Accounting for Lease

Detail of Lease rent as per-19 'Accounting for Lease' of ICAI

The Company has taken premises under operating lease arrangements. The lease period varies from 1 to 9 years with the option to extend the same with mutual consent. The total lease rental recognized as expenses aggregate to ` 38.08 lakhs (Previous year ` 33.24 lakhs)

Future minimum lease payments under non-cancellable operating lease:-

Particulars	2021	2020
	in lakhs	in lakhs
Up to 1 year	36.55	33.24
More than 1 Year	17.18	50.42

31.13 Information relating to subsidiary companies as per circular No. 2/2011 (Ref.No.51/12/2007-CL-III)

Name of subsidiary Company: - MEGAPACIFIC VENTURES PRIVATE LIMITED

Particulars	Amt in ` lakhs	
	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Capital	250.00	250.00
Reserves	(6.41)	0.01
Total Assets	294.57	313.84
Total Liabilities	294.57	313.84
Turnover	-	19.32
Profit before Tax	(6.42)	0.02
Provision for Taxation	-	0.00

31.14 Borrowing cost capitalised during the year - NIL (PY ` 9.17 lakhs).

31.15 About 45% Balances as at 31st March 2021 in respect of Sundry Debtors and Creditors are subject to confirmation. Wherever balance confirmation is not available from the parties, the balances as appearing in the books of account have been confirmed by the management.

31.16 No loans/advances in the nature of loans have been given to employees/others for the purpose of investment in securities of the company. However, the company has given interest free loan/advances in the nature of loan to employees, in the normal course of its business.

31.17 In the opinion of the Board, the current assets, loans and advances appearing in the company's balance sheet as at the year-end would have a realizable value in the normal course of business, which would be at least equal to the respective amounts at which they are stated in the Balance Sheet.

31.18 Max. balance due towards directors at any time during the year is ` 25.78 lakhs Cr. (PY- ` 230.49 lakhsCr.)

31.19 All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places of lakhs as per the requirement of Schedule III, unless otherwise stated.

31.20 The previous year's figures have been reworked, regrouped, rearranged and reclassified, where-ever deemed necessary, in order to make them comparable with the current year's figures.

31.21 Note 1 to 31 forms an integral part of Balance Sheet.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

For & on behalf of the Board of
MEGASTAR FOODS LIMITED

Dinesh Manchanda (M.No. 097591)
Partner
UDIN: 21097591AAAAEM7859
Place : Chandigarh
Dated : 04.06.2021

VIKAS GOEL
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386

MANISHA GUPTA
Chief Financial Officer

DHIRAJ KHERIWAL
Company Secretary



**CONSOLIDATED FINANCIAL STATEMENTS
2020-21**



INDEPENDENT AUDITOR'S REPORT

To the members of Megastar Foods Limited Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of M/s MEGASTAR FOODS LIMITED ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprises the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss and consolidated 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.

In our opinion and to the best of our information and according to the explanations given to us and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) together with the 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 matter are those matters that, in our professional judgement, were most significant in our audit of the financial statement of the current period. Keeping in view the materiality, there is no key matter to be reported separately.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the consolidated 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 the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Those Board of Directors are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from Directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and reports of other statutory auditor of its subsidiary company, none of the Directors of the Group are disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- (g) 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 and also the other financial information of the subsidiary:
- i. The Group does not have any pending litigations which would impact its financial position;
 - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
- 2 In our opinion and according to the information and explanations given to us and on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

UDIN: 21097591AAAAEL6805
Place : Chandigarh
Dated : 04.06.2021

Dinesh Manchanda (M.No. 097591)
Partner

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of M/s MEGASTAR FOODS LIMITED ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'Group') as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on 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 includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and effective conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary company.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 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 controls 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 and based on the consideration of the reports of the other auditor on internal financial controls with reference to financial statements of the subsidiary companies, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the the Guidance Note.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

UDIN: 21097591AAAAEL6805
Place : Chandigarh
Dated : 04.06.2021

Dinesh Manchanda (M.No. 097591)
Partner

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)

AMOUNT IN ₹ LAKHS

CONSOLIDATED BALANCE SHEET AS AT 31.03.2021

PARTICULARS	Note No.	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	990.37	990.37
(b) Reserves And Surplus	4	1,636.75	1,218.07
(c) Money received against share warrants		-	-
		2,627.12	2,208.44
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	560.23	493.59
(b) Deferred Tax Liabilities (Net)	6	146.60	125.90
(c) Other Long term liabilities	7	2.44	-
(d) Long term provisions	8	17.60	16.03
		726.87	635.52
4 Current Liabilities			
(a) Short Term borrowings	9	4,294.30	1,556.26
(b) Trade Payables	10		
(A) Total outstanding dues of micro enterprises and small enterprises		7.20	6.45
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		234.31	45.95
(c) Other Current Liabilities	11	696.22	208.14
(d) Short Term Provisions	12	18.07	0.77
		5,250.11	1,817.58
TOTAL		8,604.10	4,661.54
II. ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	13	2,103.15	1,791.36
(b) Non -Current Investment		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long term loans & advances	14	36.27	264.88
(e) Other Non-Current Assets		-	-
		2,139.42	2,056.23
2 Current assets			
(a) Current Investment		-	-
(b) Inventories	15	4,804.94	1,087.70
(c) Trade Receivables	16	1,625.75	1,377.66
(d) Cash And Cash Equivalents	17	10.48	84.69
(e) Short Term Loans And Advances	18	8.74	41.40
(f) Other Current Assets	19	14.77	13.86
		6,464.68	2,605.31
TOTAL		8,604.10	4,661.54
Significant Accounting Policies	1-2		
Notes on Financial Statements	31		

As per our report of even date attached

For Avnish Sharma & Associates

Chartered Accountants

FRN - 009398N

Dinesh Manchanda (M.No. 097591)

Partner

UDIN: 21097591AAAAEL6805

Place : Chandigarh

Dated : 04.06.2021

For & on behalf of the Board

MEGASTAR FOODS LIMITED

VIKAS GOEL

Chairman & Managing Director

DIN: 05122585

MANISHA GUPTA

Chief Financial Officer

VIKAS GUPTA

Whole Time Director

DIN: 05123386

DHIRAJ KHERIWAL

Company Secretary

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)

AMOUNT IN ₹ LAKHS

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD 1ST APRIL 2020 TO 31ST MARCH 2021

PARTICULARS		Note No.	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Income:				
I	Revenue from operations	20	16,529.51	16,315.96
II	Other income	21	106.07	6.34
III.	Total Revenue		16,635.58	16,322.31
IV. Expenses:				
	Cost of materials consumed	22	12,841.45	13,496.73
	Purchases of Stock-in Trade	23	1,257.29	554.21
	Changes in inventories	24	(35.13)	(74.50)
	Employee Benefits Expense	25	396.80	342.70
	Financial Cost	26	247.09	325.22
	Depreciation & Amortization Expense	27	161.25	126.26
	Other Expenses	28	1,177.74	1,080.50
	Total Expenses		16,046.50	15,851.12
V	Profit before exceptional and extraordinary items and tax (III-IV)		589.08	471.19
VI	Prior Period Expenses	29	0.46	0.14
VII	Profit Before tax (V-VI)		588.62	471.06
VIII	Tax Expense:			
	Current Tax		149.24	105.13
	Deferred Tax Expense/(Income)		20.70	28.07
	MAT Reverse		-	-
IX	Profit After Tax		418.69	337.85
X	Earnings Per Equity Share:			
	(1) Basic (₹ in absolute figure)		4.23	3.41
	(2) Diluted (₹ in absolute figure)		4.23	3.41
	Significant Accounting Policies	1-2		
	Notes on Financial Statements	30		

As per our report of even date attached

For Avnish Sharma & Associates

Chartered Accountants

FRN - 009398N

Dinesh Manchanda (M.No. 097591)

Partner

UDIN: 21097591AAAAEL6805

Place : Chandigarh

Dated : 04.06.2021

For & on behalf of the Board

MEGASTAR FOODS LIMITED

VIKAS GOEL

Chairman & Managing Director

DIN: 05122585

VIKAS GUPTA

Whole Time Director

DIN: 05123386

MANISHA GUPTA

Chief Financial Officer

HIRAJ KHERIWAL

Company Secretary

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 20201

AMOUNT IN ₹ LAKHS

PARTICULARS	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	588.62	471.06
Add:-		
Adjustment for depreciation	161.25	126.26
Provision for gratuity	2.00	5.50
Loss on sale of car	-	0.01
Interest on Loans taken	247.09	325.22
Less:-		
Interest Income	1.56	2.46
Provision Reversed	-	-
	408.78	454.53
Operating profit before working capital changes	997.40	925.59
Current assets		
(Increase)/decrease in debtors	(248.09)	58.18
(Increase)/decrease in stock	(3,717.25)	853.10
(Increase)/decrease in advances	15.29	(9.86)
(Increase)/decrease in other current assets	(0.90)	(3.82)
Current liabilities		
Increase/(decrease) in creditors	191.54	(2.67)
Increase/(decrease) in expenses payable	488.08	(32.50)
Cash generated from operations	(2,273.92)	1,788.03
Direct Taxes paid	115.00	81.04
Interest on working capital loan	174.26	235.83
Net cash from operating activities	(2,563.19)	1,471.15
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in shares	-	-
Investment in Advances	228.60	(229.06)
Fixed assets purchased	(473.04)	(375.07)
Fixed assets Sold	-	2.00
Interest received	1.56	2.46
Net cash from investing activities	(242.88)	(599.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share Capital	-	-
Proceeds from share premium account	-	-
Proceeds/(Repayment) of Secured loans	3,181.00	(502.14)
Proceeds/(Repayment) of unsecured loans	(376.32)	(212.69)
Interest/charges paid on loans	(72.83)	(89.39)
Net cash from financing activities	2,731.85	(804.22)
Net Change In Cash and Cash equivalent (A+B+C)	(74.22)	67.27
CASH & CASH EQUIVALENT		
Opening Balance	84.69	17.42
Cash & cash equivalent	(74.22)	67.27
Closing balance	10.47	84.68

Notes :

- The above 'Cash Flow Statement' has been prepared under the indirect method as set out in accounting standard-3 Cash Flow Statements.
- Figures in bracket indicate cash outflow.
- Previous year figures have been regrouped and recasted wherever necessary to conform to the current year figures.
- The Cash Flow Statement for the year has been prepared by Rounding off to Rs. in compliance with Schedule III of the Companies Act, 2013.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

On behalf of the Board
MEGASTAR FOODS LIMITED

Dinesh Manchanda (M.No. 097591)
Partner
UDIN:21097591AAAAEL6805

VIKAS GOEL
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386

Place : Chandigarh
Dated : 04.06.2021

MANISHA GUPTA
Chief Financial Officer

HIRAJ KHERIWAL
Company Secretary

MEGASTAR FOODS LIMITED
(FORMERLY MEGASTAR FOODS PRIVATE LIMITED)
Significant Accounting Policies and Notes forming part of the Financial Statements
Year Ended: 31-Mar-2021

1 PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements consist of Megastar Foods Limited ("the Company") and its subsidiary company (Megaspacific Ventures Pvt. Ltd.-100% subsidiary) (collectively referred to as "the Group"). The Consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21-"Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006
- The financial statements of the subsidiary used in the Consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS

a) Basis of Accounting

The Financial Statements are prepared as a going concern under historical cost convention as on accrual basis except those with significant uncertainty and in accordance with mandatory accounting standard under section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rule 2014 and the relevant provisions of the Act. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles and mandatory accounting standards.

b) Use of estimates

The presentation of financial statements requires the estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/materialised.

c) Property, Plant and Equipments

Property, Plant and Equipments are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition . All pre-operative expenditure including interest on borrowings, specifically for the acquisition/project or interest on general borrowings to the extent utilized for such project, for the period up to the completion of erection is capitalized as part of the asset cost. Indirect expenditure related to acquisition & erection of machineries for the period up to the completion of such erection is treated as pre-operative expenditure and allocated on pro-rata basis.

d) Inventories

Inventories are valued as follows:

Raw Materials, stores and spares:	Lower of cost and net realisable value. Cost is determined on FIFO basis.
Work-in-progress and finished goods:	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads.
Refraction	At net realisable value.

e) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

f) Revenue Recognition

- (1) Revenue from the sales is recognised when significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with the delivery.
- (2) Net sales are net of sales returns, discounts, claims and rebates and inclusive of taxes
- (3) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

g) Borrowing Costs

Borrowing Costs attributable to the acquisition or construction of qualifying fixed assets, are capitalised as part of the cost of such assets upto the date of commencement of commercial production/put to use of plant. Other borrowing costs are charged to revenue.

h) Depreciation

Depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act, 2013. Depreciation on additions to or disposal of assets is calculated on pro-rata basis.

Type of Asset	Period
Building	60 years
Plant & Machinery	15 years
Lab Equipments, Electrical Installations, Furniture & Fixtures, Plastic Pallets	10 years
Motorcycle	10 years
Car & Truck	8 years
Office Equipments	5 years
Computer	3 years

i) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

j) Foreign currencies transactions

(1) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

(2) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

(3) Non-monetary foreign currency items are carried at cost.

k) Retirement and other employee benefits

(1) Retirement benefits in the form of provident fund, which are defined contribution plans, are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(2) Gratuity and leave encashment which are defined benefits, are accrued based on actuarial valuation at the Balance Sheet date carried out by an independent actuary using the projected unit credit method.

l) Provision for Current and Deferred Tax

Current tax is measured at the amount expected to be paid to the revenue authorities, using the applicable tax rates and laws.

Deferred tax for timing differences between the book and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and written down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

3 SHARE CAPITAL

Particulars		AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
3.1 Authorised Share Capital			
a) 1,50,00,000 (Previous year 1,50,00,000) Equity Shares of ` 10/- Each		1,500.00	1,500.00
		1,500.00	1,500.00
Issued, Subscribed & Paid up :			
a) 86,50,000 (Previous year 86,50,000) Equity Shares of ` 10/- Each fully paid		865.00	865.00
b) 12,53,700 (Previous year 12,53,700) Equity Shares of ` 10/- Each issued as fully paid Bonus Shares		125.37	125.37
Total		990.37	990.37

3.2 Terms/Rights attached to Equity Shares

The company has only one class of Equity Shares having face value of ` 10/- each (Previous year ` 10/- each) in its issued, subscribed and paid up Equity share capital. Each shareholder is entitled to one vote per share. Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to shareholding. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

3.3 The Reconciliation of the number of share outstanding is set out below:

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
	No. of shares	No. of shares
Numbers of Equity Shares at the beginning of the year	99,03,700	99,03,700
Add: Numbers of Equity shares issued during the year	-	-
Equity Shares at the end of the year Total	99,03,700	99,03,700

3.4 The details of Shareholders holding more than 5% shares.

Name of the Share holders	AS AT 31ST MARCH, 2021		AS AT 31ST MARCH, 2020	
	No. of shares	% held	No. of shares	% held
Vikas Gupta	21,39,900	21.61%	21,39,900	21.61%
Vikas Goel	24,92,660	25.17%	24,92,660	25.17%
Pankaj Goyal	11,21,054	11.32%	11,21,054	11.32%

4 RESERVES & SURPLUS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Statement of Profit & Loss		
As Per last Balance Sheet	723.45	385.59
Add: Profit/(Loss) for the year	418.69	337.85
	1,142.13	723.45
(b) Share Premium		
Opening Balance	494.60	494.60
Less: Share Issue Expenses	-	-
	494.60	494.60
(c) Other Reserve Sh Ganesh Ji Maharaj	0.02	0.02
Total	1,636.75	1,218.07

5 LONG TERM BORROWINGS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Secured		
(a) Term loans from Banks	606.58	105.91
Less: Current maturities	108.80	38.34
	497.78	67.58
(b) Vehicle loans From Banks	88.02	51.83
Less: Current Maturities	31.96	27.91
	56.07	23.93
(c) Vehicle loans From NBFC/Others	25.77	43.60
Less: Current Maturities	19.39	17.83
	6.38	25.77
	560.23	117.27
Unsecured		
(d) Loans and advances from related parties		
From Directors & relatives	-	10.99
(e) Loans From HDFC Bank	-	400.61
Less: Current Maturities	-	35.27
	-	365.33
	-	376.32
Total	560.23	493.59

1. (a) Term loans from banks are secured by first charge on land & building of the company, future and current fixed assets of the company financed. These loans are further secured by personal guarantee of the promoters/ directors.

2. (b) & (c) Vehicle loans from banks and NBFC are secured by hypothecation of vehicles financed.

3. Terms of Repayments and Rate of interest of all loans

S.No.	Name of Lender	Rate of Interest	Repayment Periodicity	No. of Installments Outstanding	EMI/Installments
1	HDFC Term Loan 84237777	Repo Rate* + 3.25%	Monthly	19	380767
2	HDFC GECL Loan 8756413	8.00%	Monthly	36	1695254
3	HDFC Truck Loan 82831839	7.90%	Monthly	7	60850
4	HDFC Truck Loan 83410078	8.90%	Monthly	6	69865
5	HDFC Truck Loan 83593676	9.50%	Monthly	10	79826
6	UBI Car Loan	9.00%	Monthly	16	50880
7	UBI Car Loan-90470	7.40%	Monthly	75	61156
8	HDFC Truck Loan 84844118	8.11%	Monthly	55	64990
9	TATA Motors Truck Loan	9.51%	Monthly	13	80090
10	Daimler Financial Services Car Loan	8.15%	Monthly	18	94221

* Current Repo Rate is 4.00%

6 DEFERRED TAX LIABILITIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Deferred Tax Liabilities on account of : Difference between book value of depreciable assets and WDV for tax purposes	147.16	127.43
Deferred Tax Assets on account of : Provisions for Employees Benefits	0.56	1.53
Deferred Tax Liabilities (Net)	146.60	125.90

7 OTHER LONG TERM LIABILITIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Creditors for Capital Assets		
(a) Total outstanding dues of micro enterprises and small enterprises*	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.44	-
Total	2.44	-

*The above outstandings includes NIL amount (PY Nil) towards its suppliers being registered under the Micro, Small and Medium Enterprises Development Act, 2006 and disclosures are based on the information available with the company regarding status of suppliers under MSME Act,

8 LONG TERM PROVISIONS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Provisions for Employee benefits	17.60	16.03
Total	17.60	16.03

9 SHORT TERM BORROWINGS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Secured		
(a) Loans repayable on demand		
From Banks		
- HDFC Cash Credit A/c*	2,480.37	1,556.26
- HDFC Bank WHR Loans**	1,813.93	-
Total	4,294.30	1,556.26

*Working Capital facilities are secured by Hypothecation of Stock, debtors & all other current assets of company and extension of charges on block fixed assets. These loans are further secured by personal guarantee of the promoters/directors. Interest rate is 1 year REPO + 3% and present 1 year REPO is 4%.

**Capital facilities against warehouses are secured by Hypothecation of Stock of company. These loans are further secured by personal guarantee of the promoters/directors. Interest rate is 7.25%.

10 TRADE PAYABLES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Total outstanding dues of micro enterprises and small enterprises*	7.20	6.45
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Trade Creditors- Raw Material	81.10	4.00
- Services & others	153.21	41.96
Total	241.51	52.40

*The above outstandings includes ` 7.20 lakhs amount (PY ` 6.45 lakhs) towards its suppliers being registered under the Micro, Small and Medium Enterprises Development Act, 2006 and disclosures are based on the information available with the company regarding status of suppliers under MSME Act. 2006.

11 OTHER CURRENT LIABILITIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Current maturities of long-term debt		
From Banks	140.75	101.52
From Nbf/Others	19.39	17.83
(b) Advance against sale of Land	20.00	-
(c) Interest accrued but not due	32.62	18.92
(d) Statutory dues	8.36	8.68
(e) Other payables	41.03	61.20
(f) Advance from Customers	434.07	-
Total	696.22	208.14

12 SHORT TERM PROVISIONS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Provision for employee benefit	1.20	0.77
(b) Provision for Income Tax	149.24	105.13
Less: MAT Credit	9.66	26.08
Less: Advance Tax	115.00	79.05
Less: TDS & TCS	7.71	-
	16.87	0.00
Total	18.07	0.77

14 LONG TERM LOANS & ADVANCES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Unsecured (Considered Good)		
(a) Loans Receivables considered good - Secured	-	-
(b) Loans Receivables considered good - Unsecured		
1 Security deposits with Govt. & others	35.04	35.53
2 Capital Advances	1.23	229.35
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables - credit impaired	-	-
Total	36.27	264.88

15 INVENTORIES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Raw materials	4,500.98	778.86
(b) Finished goods	216.83	181.70
(c) Consumable Stores	1.56	2.57
(d) Others		
- Packing Material	85.57	88.71
(e) Stock in Transit	-	35.85
Total	4,804.94	1,087.70

Note:- Mode of Valuation

- a) Finished Goods are valued at Lower of cost and net realisable value.
b) Raw material is valued at cost or market value whichever is lower and are on FIFO basis
c) Packing materials and consumables are valued at cost.
d) Stock in transit is valued at the price of acquisition received after balance sheet date but billed prior to that.

16 TRADE RECEIVABLES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Trade receivables considered good - Unsecured	1,625.75	1,363.34
(b) Trade receivables which have significant increase in credit risk*	-	14.32
Total	1,625.75	1,377.66

The trade receivables includes outstanding amount of ` NIL (~ 14.32 lakhs) due from certain parties, where company has filed court cases. In this regard, management is confident about full recovery/realisability considering the past performance of the customer and recovery initiative taken by the company, hence no provision is made in the books of account during the year.

17 CASH AND CASH EQUIVALENT

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Balances with banks		
(i) In Current Accounts		
- Union Bank of India	1.31	33.64
- Union Bank of India-Cash Credit	1.01	39.58
- HDFC Bank Ltd. - 85679	4.98	-
(ii) In Deposit Account*		
- UBI FDR (166795)	-	4.31
- UBI FDR (66166)	-	0.48
- UBI FDR (166632)	-	2.59
(b) Cash in hand & imprest	3.18	4.08
Total	10.48	84.69

18 SHORT TERM LOANS & ADVANCES

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
(a) Loans Receivables considered good - Secured	-	-
(b) Loans Receivables considered good - Unsecured		
1 Advances recoverable in cash or in kind	5.73	26.20
3 Balances with Revenue authorities	3.02	15.20
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables - credit impaired	-	-
Total	8.74	41.40

19 OTHER CURRENT ASSETS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Unsecured (Considered Good)		
(a) Prepaid Expenses	14.77	13.86
Total	14.77	13.86

MEGASTAR FOODS LIMITED
PROPERTY, PLANT AND EQUIPMENT SCHEDULE FOR THE YEAR ENDED 31.03.2021

NOTE NO -13

AMOUNT IN ₹ LAKHS

PARTICULARS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON	ADDITION	SALE/ ADJUST.	AS ON	UPTO THE END OF PREVIOUS YR.	FOR THE YEAR	WRITTEN BACK	TOTAL	AS ON	AS ON
		01.04.2020			31.03.2021					31.03.2021	31.03.2020
Land		124.66	256.08	-	380.74	-	-	-	-	380.74	124.66
Building	1.58%	406.69	25.49	-	432.18	31.32	6.77	-	38.09	394.09	375.37
Capital WIP (Building)		48.13	6.63	26.96	27.80	-	-	-	-	27.80	48.13
Car	11.88%	139.48	64.12	-	203.60	32.36	22.27	-	54.62	148.97	107.12
Motor Cycle	9.50%	1.17	-	-	1.17	0.29	0.11	-	0.40	0.77	0.88
Electrical Installation	9.50%	23.49	0.12	-	23.61	10.68	2.24	-	12.92	10.69	12.81
Plant & Machinery	6.33%	1,016.35	149.84	-	1,166.20	287.08	72.26	-	359.33	806.86	729.28
Capital WIP (P & M)		111.93	0.02	111.96	-	-	-	-	-	-	111.93
Plastic Pallets	9.50%	1.35	-	-	1.35	0.14	0.13	-	0.27	1.08	1.20
Laboratory Equipments	9.50%	43.16	25.38	-	68.54	6.57	5.08	-	11.66	56.88	36.58
Office Equipments	19.00%	6.85	4.28	-	11.13	3.51	1.35	-	4.86	6.27	3.35
Computer	31.67%	11.50	21.58	-	33.08	7.62	5.70	-	13.32	19.76	3.89
Furniture & Fixture	9.50%	8.94	0.62	-	9.56	3.47	0.89	-	4.36	5.20	5.47
Truck	11.88%	332.09	83.11	-	415.20	126.71	44.44	-	171.16	244.04	205.38
Truck (WIP)		25.29	-	25.29	-	-	-	-	-	-	25.29
		2,301.10	637.25	164.21	2,774.14	509.74	161.25	-	670.99	2,103.15	1,791.36
<i>Pr. Yr. Figures</i>		<i>1,929.58</i>	<i>621.01</i>	<i>249.50</i>	<i>2,301.10</i>	<i>385.01</i>	<i>126.26</i>	<i>1.54</i>	<i>509.74</i>	<i>1,791.36</i>	<i>1,544.57</i>

NOTES ANNEXED TO AND FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

20 REVENUE FROM OPERATIONS

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Domestic Sales	16,042.26	16,102.95
Export Sales	487.25	213.02
Total	16,529.51	16,315.96

21 OTHER INCOME

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Duty Drawback	0.55	-
Interest received	1.56	2.46
Insurance claim received	7.53	3.40
Bad Debts Recovered	-	0.49
VAT Refund Received*	96.43	-
Total	106.07	6.34

*VAT refund received is for excess VAT charged by FCI on wheat purchases in earlier years now returned.

22 COST OF MATERIAL CONSUMED

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Opening Stock		
Raw Material of Wheat	778.86	1,744.70
Packing Material	88.71	80.38
Add : Purchases		
- Wheat & other ingredients	16,150.59	12,182.48
- Packing Material	221.15	234.04
Add: Freight inward	149.39	81.39
Packing Charges	39.31	41.31
	17,428.01	14,364.30
Less: Closing Stock		
Raw Material of Wheat	4,500.98	778.86
Packing Material	85.57	88.71
Total	12,841.45	13,496.73

23 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Purchases of Goods	1,257.29	554.21
Total	1,257.29	554.21

24 CHANGE IN INVENTORY OF FINISHED GOODS/STOCK-IN-TRADE

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Opening Balance	181.70	107.20
Less:- Closing Balance	216.83	181.70
Net Increase/ Decrease in Goods	(35.13)	(74.50)

25 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Directors' Remuneration	114.00	90.00
Salaries, Wages & Bonus	260.90	232.35
Staff Welfare Expenses	7.11	5.21
Provident Fund including welfare fund	7.63	7.20
Contribution to ESI	3.87	2.44
Gratuity Paid/provided	3.29	5.50
Total	396.80	342.70

26 FINANCIAL COST

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Bank Charges	15.74	18.95
Interest on borrowings	231.35	306.27
Total	247.09	325.22

27 DEPRECIATION & AMORTISATION

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Depreciation	161.25	126.26
Total	161.25	126.26

28 OTHER EXPENSES

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Manufacturing		
Consumable Stores		
Opening Balance	2.57	8.52
Purchases	22.45	18.32
Closing Balance	1.56	2.57
Consumed	23.46	24.27
Power & Fuel	287.18	290.57
Labour Charges	102.06	98.94
Insurance	10.40	5.41
Lab Testing Expenses	10.69	9.34
Pest Control	6.65	5.11
Repair & Maintenance Expenses	14.61	20.03
Repairs Plant & Machinery	30.13	23.04
	461.72	452.43
	485.18	476.70
Administrative Expenses		
Auditor's Remuneration	6.18	5.67
Donation	12.28	2.03
Insurance	2.19	1.81
Interest on Taxes	0.60	0.27
Internal Audit Fees	1.80	1.80
Legal & Professional Expenses	23.61	16.46
Loss on sale of Fixed Assets	-	0.01
Meeting Fees to directors	0.56	0.61
Miscellaneous Expenses	4.51	4.33
Penalty	0.17	0.61
Printing & Stationery	1.71	2.83
Rate, Fees & Taxes	1.36	4.10
Rent Expenses	39.04	33.24
Repair & Maintenance	10.83	6.58
Security Service	11.49	10.29
Telephone Expenses	2.24	2.38
Travelling & Conveyance	14.47	19.23
Vehicle Running & Maintenance	6.52	5.15
	139.57	117.39
Selling & Distribution Expenses		
Advertisement & Publicity	0.37	0.40
Bad Debts written off	29.29	-
Business Promotion	19.45	14.03
Commission & Brokerage	27.60	8.88
Insurance	5.20	4.57
Job Work	4.55	-
Freight Outward	190.00	163.69
Goods & Service Tax & VAT	10.45	21.30
Rebate & Discount	59.12	70.82
Truck Running & Maintenance	206.97	202.71
	553.00	486.40
Total	1,177.74	1,080.50

29 PRIOR PERIOD ITEMS

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Prior Period Expenses	0.46	0.14
Total	0.46	0.14

MEGASTAR FOODS LIMITED
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AMOUNT IN ₹ LAKHS

Particulars	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Statutory dues		
ESI Payable	0.40	1.32
GST Payable	0.30	1.10
Labour Welfare Fund Payable	0.14	0.14
PF Payable	1.31	1.29
Professional Tax Payable	0.71	-
TDS Payable	4.58	4.83
TCS Payable	0.92	-
	8.36	8.68
Security Deposits:		
Electricity Security	33.95	34.16
Telephone Security	0.03	0.03
GS1 India Security	0.03	0.03
Security Markfed	0.75	0.75
Security of Oxygen Cylinder	0.18	0.18
LPG Security	0.08	0.05
Modem Security (Star Video Systems)	0.02	0.02
Security of Water Supply	0.01	0.01
Lindstrom Services India	-	0.30
	35.04	35.53
Short Term Loans & Advances:		
Advances recoverable in cash or in kind		
Other Advance	5.26	25.73
Duty Draw back recoverable	-	0.10
Toyota Financial TDS Recoverable	0.06	0.06
Daimler Financial Services TDS Recoverable	0.14	0.11
Tata Motor Finance TDS Recoverable	0.13	0.19
Nestle TCS Recoverable	0.14	-
	5.73	26.20
Balance with Revenue authorities		
Tax Recoverable (2019-20)	2.54	3.14
MAT Recoverable (2017-18)	-	9.66
GST Cash Account/TDS	0.48	2.40
	3.02	15.20

MEGASTAR FOODS LIMITED
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30 NOTES TO ACCOUNTS

30.1 Related party disclosure

As per AS-18 'Related Party Disclosures' issued by ICAI the disclosures of transactions with related concerns are as follow:-

Particulars	Name
Key Managerial Personnel (KMPs)	Mr. Vikas Goel, Chairman cum Managing Director
	Mr. Vikas Gupta, Whole Time Director
	Mr. Mudit Goyal, Whole Time Director
	Ms. Manisha Gupta, Chief Financial Officer
	Mr. Dhiraj Kheriwal, Company Secretary (with effect from 16th March 2021) and Mr. Robin Kumar, Company Secretary (resigned on 20th January 2021)
Independent Directors	Mr. Amit Mittal, Mr. Prabhat Kumar, Ms. Savita Bansal
Relatives of KMPs	Mr. Satpal Gupta, Mr. Madan Lal Aggarwal, Mrs. Indira Rani, Ms. Shivani Gupta, Ms. Savita Goyal, Mr. Pankaj Goel, Mr. Amit Goel
Enterprises over which KMP or their relatives are able to exercise significant influence	Ganesh Flour Mills, Madan Lal Vikas Kumar, Kulwant Rai Ram Kishan, Madan Lal Aggarwal (HUF), Baisakhi Mal Ram Kishan, Shree Ganesh Grain Products, VM Foods

Name	Nature of Transaction	Amount (₹)	
		For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Vikas Goel	Loan repaid	11.50	-
	Interest Paid	0.55	1.22
	Salary Paid (including perks)	49.00	41.80
Vikas Gupta	Loan received/repaid	-	248.09
	Interest Paid	-	19.52
	Salary Paid (including perks)	49.00	41.80
Mudit Goel	Salary Paid (including perks)	27.10	21.10
Amit Mittal	Sitting Fees Paid	0.21	0.22
Prabhat Kumar	Sitting Fees Paid	0.14	0.17
Savita Bansal	Sitting Fees Paid	0.21	0.22
Manisha Gupta	Salary Paid	11.78	2.66
Vijay Sharma	Salary Paid	-	5.12
	Advance given/repaid	-	2.04
Robin Kumar	Salary Paid	4.01	4.20
Dhiraj Kheriwal	Salary Paid	0.26	-
Savita Goyal	Salary Paid	6.75	-
Shivani Gupta	Salary Paid	6.75	-
Satpal Gupta	Salary Paid	3.60	3.60
	Rent Paid	12.00	12.00
Amit Goel	Rent Paid	6.00	6.00
Pankaj Goel	Rent Paid	6.00	6.00
Indira Rani	Rent Paid	-	3.00
Madan Lal	Rent Paid	6.00	3.00
Ganesh Flour Mills	Purchases	496.91	387.89
	Sales	60.13	124.86
Kulwant Rai Ram Kishan	Rent Paid	1.56	1.56
Baisakhi Mal Ram Kishan	Sales	0.30	50.70
Shree Ganesh Grain Products	Sales	30.04	15.05
VM Foods	Purchases	117.19	-
	Sales	5.17	-
Director's Travelling	Travelling Expenses	12.33	9.78

Details of outstanding balances as at the year end where related party relationship existed:

Name	Nature of Balance	Amount (₹)	
		AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
Vikas Goel	Unsecured Loan outstanding	-	10.99
	Salary Payable	3.35	2.05
Vikas Gupta	Salary Payable	3.73	2.14
Mudit Goel	Salary Payable	1.22	1.11
Shivani Gupta	Salary Payable	0.67	-
Savita Goel	Salary Payable	0.75	-
Kulwant Rai Ram Kishan	Rent Payable	-	0.96
Baisakhi Mal Ram Kishan	Debtors outstanding	-	0.26

30.2 Earning Per Share

As per AS 20 of ICAI the EPS is worked out as under:

Particulars	2021	2020
Net Profit available to shareholders as per accounts (₹ in lakhs)	418.69	337.85
Weighted average number of shares	99,03,700	99,03,700
Earning per share- Basic and diluted (₹)	4.23	3.41
Face value per equity share (₹)	10.00	10.00

30.3 Auditor's Remuneration without GST

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Audit of financial statements & tax audit	5.30	4.50
GST Audit	0.55	-
Certifications	0.21	0.85

30.4 Deferred Tax Calculation

Deferred tax is calculated as per AS-22 issued by ICAI as under:

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
WDV as per Companies Act (A)	2,103.15	1,791.36
WDV as per Income Tax Act (B)	1,574.18	1,333.29
Timing Difference (A-B)	528.97	458.07
Timing Difference For Gratuity	2.00	5.50
Timing Difference	526.97	452.57
Closing Deferred Tax Liability	146.60	125.90
Opening Deferred Tax Liability	125.90	97.84
Deferred Tax Expense (Income)	20.70	28.07

30.5 Contingent liabilities and commitments

Particulars	2021	2020
A. Contingent liabilities not provided for in respect of		
	₹ in lakhs	₹ in lakhs
i) Bank Guarantee outstanding	514.08	NIL
ii) Claim against the Company not acknowledged as debts	NIL	NIL
iii) Unexpired letter of credit	NIL	NIL
B. Capital commitments (Net of advance paid)	NIL	NIL

30.6 Information on Transactions in Foreign Exchange

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Value of Imports Calculated on C.I.F Basis	NIL	NIL
Expenditure in foreign currency		
- Travelling & others Expenses	NIL	NIL
Earnings in foreign currency (on accrual basis)		
- FOB value of Exports	487.25	213.02

30.7 Consumption of Raw Materials and Stores etc.

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Raw Material Consumed:		
- Imported	NIL	NIL
- Indigenous	12,841.25	13,496.73
Spare Parts and Components Consumed:		
- Imported	NIL	NIL
- Indigenous	23.46	24.27

30.8 Employee Benefits

Disclosures as per AS-15 (Revised) 'Employee Benefits' for year ended March 31, 2021:-

I Defined Contribution Plan:

During the year the company has recognized the following amounts in the profit and loss account

Particulars	2021	2020
Employers Contribution to Provident Fund	6.81	6.43

II Defined Benefit Plan:

The following table set out the status of the gratuity plan as required under AS-15

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
I. Amount to be recognized in the Balance sheet		
Present value of obligation as at 31.03.2020	18.80	16.80
Fair value of plan assets as at 31.03.2020	-	-
Funded Status [surplus/(deficit)]	-18.80	-16.80
Net Assets/(Liability) recognized in Balance sheet	-18.80	-16.80
II. Expenses recognized during the period		
Current Service Cost	5.58	6.35
Interest Cost	1.05	0.71
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss	-3.35	-1.56
Net Expenses Recognized	3.29	-1.56
III. Reconciliation of opening and closing balance of Defined Benefit Obligation		
Present value of Obligation at the beginning of the period	16.80	11.30
Current Service Cost	5.58	6.35
Interest Cost	1.05	0.71
Actuarial (gain)/loss on obligations	-3.35	-1.56
Benefit Paid	-1.29	-
Present value of Obligation at the end of the period	18.80	16.80
IV. Actuarial/Demographic assumptions:-		
Indian Assure Lives Mortality Table	2012-14	2012-14
Discount Rate (per Annum)	6.25%	6.25%
Estimated rate of increase in compensation level	5.00%	5.00%
Retirement Age	58 years	58 years
Disability	No explicit Allowance	No explicit Allowance

30.9 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMD Act, 2006"):

The micro and small enterprises have been identified by the company from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
(1) Details of dues to micro and small enterprises as per MSMD Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- principal amount	7.20	6.45
- interest amount	NIL	NIL
(2) The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
(3) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	NIL	NIL
(4) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
(5) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identify as "Micro, Small & Medium Enterprises" on the basis information available with the Company.

30.10 Segment Reporting

As per guidelines contain in AS-17 (Segment reporting), the company is operating in a single segment mainly in manufacture and sale of wheat and wheat products. There is no separate reportable segment except geographically secondary segment of export sales and hence not reported separately.

30.11 Accounting for Lease

Detail of Lease rent as per-19 'Accounting for Lease' of ICAI

The Company has taken premises under operating lease arrangements. The lease period varies from 1 to 9 years with the option to extend the same with mutual consent. The total lease rental recognized as expenses aggregate to ₹ 39.04 lakhs (Previous year ₹ 33.24 lakhs)

Future minimum lease payments under non-cancellable operating lease:-

Particulars	2021	2020
	₹ in lakhs	₹ in lakhs
Up to 1 year	37.51	34.20
More than 1 Year	17.66	51.86

30.12 Borrowing cost capitalised during the year NIL (PY ₹ 9.17 lakhs).

30.13 The deduction & balances of TCS/TDS are subject to confirmation and reconciliation with the statutory returns.

30.14 In the opinion of the Board, the current assets, loans and advances appearing in the company's balance sheet as at the year-end would have a realizable value in the normal course of business, which would be at least equal to the respective amounts at which they are stated in the Balance Sheet.

30.15 All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places of lakhs as per the requirement of Schedule III, unless otherwise stated.

30.16 The previous year's figures have been reworked, regrouped, rearranged and reclassified, where-ever deemed necessary, in order to make them comparable with the current year's figures.

30.17 Note 1 to 30 forms an integral part of Balance Sheet.

For Avnish Sharma & Associates
Chartered Accountants
FRN - 009398N

For & on behalf of the Board of
MEGASTAR FOODS LIMITED

Dinesh Manchanda (M.No. 097591)
Partner
UDIN: 21097591AAAAEL6805
Place : Chandigarh
Dated : 04.06.2021

VIKAS GOEL
Chairman & Managing Director
DIN: 05122585

VIKAS GUPTA
Whole Time Director
DIN: 05123386

MANISHA GUPTA
Chief Financial Officer

DHIRAJ KHERIWAL
Company Secretary