

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of J.B.Mangharam Foods Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J.B.Mangharam Foods Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit and other comprehensive income, changes in equity 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 Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

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

Our opinion on the 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 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 in the audit or otherwise appears to be materially misstated.

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

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Independent Auditor's Report

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/(loss) and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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Independent Auditor's Report

Report on Other Legal and Regulatory Requirements (continued)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 29 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company .
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

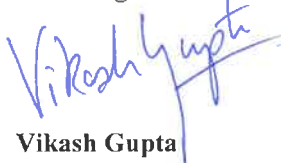
(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provisions of Section 197 of the Act is not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022



Vikash Gupta

Partner

Membership number: 064597

UDIN: 20064597AAAACI9633

Place: Bengaluru

Date: 01 June 2020

Annexure – A to the Independent Auditor’s Report

With reference to Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor’s Report to the Members of the Company on the financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were observed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
- (ii) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noted on physical verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (“the Act”). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of costs records under sub-section (1) of Section 148 of the Act, for any of the products manufactured by the Company. Accordingly, the provisions of clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and services tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of customs, Sales-tax, Service-tax, Duty of excise and Value added tax during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and services tax, cess and any other material statutory dues were in arrears, as at 31 March 2020, for a period of more than six months from the date they became payable.

Vh.

Annexure – A to the Independent Auditor’s Report (continued)

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Goods and services tax, Duty of customs, Duty of excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Statute	Nature of Dues	Disputed Amount* (Rs. in thousands)	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	162	2005-06	Madhya Pradesh Commercial Tax Board, Bhopal
Madhya Pradesh Value Added Tax Act, 2002	Sales Tax	99	2006-07	Madhya Pradesh Commercial Tax Board, Bhopal
Central Excise Act, 1944	Excise Duty	21,359	2008-09 and 2009-10	CESTAT
Finance Act, 1994	Service Tax	1,031	2009-10 to 2012-13	CESTAT
Finance Act, 1994	Service Tax	20,479	2012-13 to 2016-17	CESTAT
Finance Act, 1994	Service Tax	1,784	2017-18	Assistant.Commissioner, Gwalior
Income Tax Act, 1961	Income Tax	2,424	2001-02	High Court, Mumbai
Income Tax Act, 1961	Income Tax	3,589	2004-05	High Court, Mumbai

* The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from the government during the year or dues to debenture holders during the year.
- (ix) According to the information and explanations given to us the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

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Annexure – A to the Independent Auditor’s Report (continued)

- (xii) According to the information and explanations given to us, in our opinion the Company is not a Nidhi company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with Section 188 of the Act, where applicable, and details of all transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for B S R & Co. LLP

Chartered Accountants

Firm’s registration number: 101248W/W-100022



Vikash Gupta

Partner

Membership number: 064597

UDIN: 20064597AAAACI9633

Place: Bengaluru

Date: 01 June 2020

Annexure B to the Independent Auditors' report on the financial statements of J.B.Mangharam Foods Private Limited for the period ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of J.B.Mangharam Foods Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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Annexure B to the Independent Auditors' report on the financial statements of J.B.Mangharam Foods Private Limited for the period ended 31 March 2020 (continued)

Auditors' Responsibility (continued)

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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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.

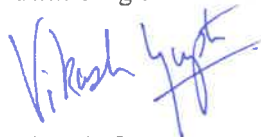
Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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.

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022



Vikash Gupta

Partner

Membership number: 064597

UDIN: 20064597AAAAC19633

Place: Bengaluru

Date: 01 June 2020

J.B. Mangharam Foods Private Limited
Balance Sheet

Rs. in thousands

	Note	31 March 2020	31 March 2019
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	160,324	162,168
(b) Capital work-in-progress		-	19,741
(c) Financial assets			
(i) Investments	5	26	26
(ii) Loans receivable	7	5,161	4,277
(d) Deferred tax assets, (net)	6	24,142	22,701
(e) Income tax assets, (net)	6	22,251	24,064
(f) Other non-current assets	8	-	310
Total non-current assets		211,904	233,287
(2) Current assets			
(a) Inventories	9	172,674	153,361
(b) Financial assets			
(i) Trade receivables	10	49,775	115,780
(ii) Cash and cash equivalents	11	62,074	19,055
(iii) Other financial assets	12	43,727	14,666
(c) Other current assets	13	12,201	7,962
Total current assets		340,451	310,824
Total assets		552,355	544,111
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	14	4,502	4,502
(b) Other equity	15	70,580	64,663
Total equity		75,082	69,165
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	96,236	136,268
(b) Provisions	17	31,622	28,055
Total non-current liabilities		127,858	164,323
(B) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		268,027	227,927
(ii) Other financial liabilities	19	55,339	54,199
(b) Other current liabilities	20	20,134	22,612
(c) Provisions	17	400	370
(d) Current tax liabilities, (net)	6	5,515	5,515
Total current liabilities		349,415	310,623
Total liabilities		477,273	474,946
Total equity and liabilities		552,355	544,111
Significant accounting policies	3		

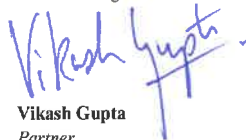
See accompanying notes to financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022


Vikash Gupta
Partner

Membership number: 064597

Place : Bengaluru

Date: 1 June 2020

for and on behalf of the Board of Directors of

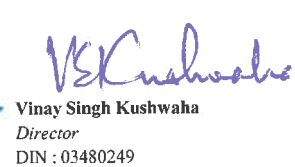
J.B. Mangharam Foods Private Limited

CIN No. U15100MH1984PTC031983


Venkataraman Narayan
Director
DIN : 05220857

Place : Bengaluru

Date: 1 June 2020


Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru

Date: 1 June 2020

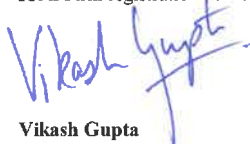
J.B. Mangharam Foods Private Limited
Statement of profit and loss

Rs. in thousands

For the year ended	Note	31 March 2020	31 March 2019
I Revenue from operations			
Sale of goods/income from operations	21	2,399,040	2,329,558
Other operating revenues	22	19,826	16,090
		2,418,866	2,345,648
II Other income	23	2,086	1,056
III Total income (I+II)		2,420,952	2,346,704
IV Expenses			
Cost of materials consumed	24	1,923,505	1,893,128
Changes in inventories of finished goods	25	4,201	(2,161)
Employee benefits expense	26	108,271	99,834
Finance costs	27	21,166	12,640
Depreciation	4	30,723	27,968
Other expenses	28	321,906	292,995
Total expenses		2,409,772	2,324,404
V Profit before tax (III-IV)		11,180	22,300
VI Tax expense:			
(i) Current tax	6	4,775	6,080
(ii) Deferred tax	6	(904)	(363)
Total tax expense		3,871	5,717
VII Profit for the year (V-VI)		7,309	16,583
VIII Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of profit and loss</i>			
Remeasurements of net defined benefit (liability)/ asset		(1,928)	(5,272)
Income tax relating to items not to be reclassified subsequently to statement of profit or loss		536	1,467
Other comprehensive income, net of tax		(1,392)	(3,805)
IX Total comprehensive income for the year (VII + VIII)		5,917	12,778
Earnings per share (face value of Rs.10 each)	31		
Basic and Diluted [in Rs.]		16.24	36.84
Weighted average number of equity shares used in computing earnings per share:			
- Basic and Diluted		450,150	450,150
Significant accounting policies	3		

See accompanying notes to financial statements
As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022



Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date: 1 June 2020

for and on behalf of the Board of Directors of
J.B. Mangharam Foods Private Limited
CIN No. UN5100MH1984PTC031983



Venkataraman Natarajan
Director
DIN : 05220857

Place : Bengaluru
Date: 1 June 2020



Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru
Date: 1 June 2020

J.B. Mangharam Foods Private Limited
Statement of Changes in Equity

Particulars	Rs. in thousands					
	Equity share capital	Reserves and surplus		Other equity		Total equity attributable to equity holders of the Company
		Retained earnings	Capital redemption reserve	General reserve	Other items of OCI	
Balance as at 1 April 2018	4,502	48,197	6	7,500	(3,818)	51,885
Changes in equity for the year ended 31 March 2019	-	-	-	-	(3,805)	(3,805)
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	16,583	-	-	-	16,583
Balance as at 31 March 2019	4,502	64,780	6	7,500	(7,623)	69,165

Particulars	Rs. in thousands					
	Equity share capital	Reserves and surplus		Other equity		Total equity attributable to equity holders of the Company
		Retained earnings	Capital redemption reserve	General reserve	Other items of OCI	
Balance as at 1 April 2019	4,502	64,780	6	7,500	(7,623)	69,165
Changes in equity for the year ended 31 March 2020	-	-	-	-	(1,392)	(1,392)
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	7,309	-	-	-	7,309
Balance as at 31 March 2020	4,502	72,089	6	7,500	(9,015)	75,082

See accompanying notes to financial statements

As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Vikash Gupta
Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date: 1 June 2020

for and on behalf of the Board of Directors of
J.B. Mangharam Foods Private Limited
CIN No. U15100MH1984PTC031983

Vinay Singh Kushwaha
Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru
Date: 1 June 2020

J.B. Mangharam Foods Private Limited
Statement of cash flow

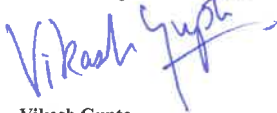
	Rs. in thousands	
For the year ended	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	11,180	22,300
Adjustments for:		
Depreciation	30,723	27,968
Profit on disposal of property, plant and equipment	-	(3)
Provision no longer required written back	(3,943)	(6,174)
Interest income	(1,428)	(1,053)
Finance costs	21,166	12,640
	57,698	55,678
Changes in		
Inventories	(19,313)	(24,760)
Trade receivables	66,004	2,141
Loans , other financial assets and other current assets	(34,184)	7,919
Accounts payables, other financial liabilities, other current liabilities and provisions	45,656	11,058
	115,861	52,036
Cash generated from operating activities	(2,962)	(8,209)
Net cash from operating activities	112,899	43,827
Cash flow from investing activities		
Acquisition of property, plant and equipment	(10,111)	(34,149)
Proceeds from sale of property, plant and equipment	-	2
Interest received	1,428	1,054
Net cash used in investing activities	(8,683)	(33,093)
Cash flow from financing activities		
Interest paid	(21,166)	(12,640)
Repayment of borrowings	(40,031)	(31,698)
Proceeds from borrowings	-	50,000
Net cash from/(used in) financing activities	(61,197)	5,662
Net change in cash and cash equivalents	43,019	16,396
Cash and cash equivalents at beginning of year	19,055	2,659
Cash and cash equivalents at end of year	62,074	19,055
Cash and cash equivalent at the end of the year (refer note 11)	62,074	19,055
Debt reconciliation statement in accordance with Ind AS 7		
Non current borrowings and current maturities of long term borrowings		
Opening balance	176,298	157,996
Repayment of borrowings	(40,031)	(31,698)
Proceeds from borrowings	-	50,000
Closing balance	136,267	176,298

Significant accounting policies (refer note 3)

See accompanying notes to financial statements

As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022



Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date: 1 June 2020

for and on behalf of the Board of Directors of
J.B. Mangharam Foods Private Limited
(CIN No. U15100MH1984PTC031983)



Venkataraj Sataraj
Director
DIN : 05220857

Place : Bengaluru
Date: 1 June 2020



Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru
Date: 1 June 2020

J B Mangharam Foods Private Limited
Notes to financial statements

1 Reporting entity

These financial statements are of J B Mangharam Foods Private Limited. The Company is a Private Limited Company domiciled in India and was incorporated on 3 February 1984 under the provisions of the Companies Act applicable in India. The registered office of the company is located at D-1/502, Krishna Kaveri Society, Yamuna Nagar, Andheri (West), Mumbai- 400053.

2 Basis of preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 1 June 2020.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit asset/ (liability)	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 30 - leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 34 - measurement of defined benefit obligations: key actuarial assumptions;

- Note 29 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 4 - useful life of property, plant and equipment;

- Notes-5, 7, 10 and 12 - impairment of financial assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for financial instruments

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 37 - financial instruments - fair values and risk management



3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

Items of Property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using written down value method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the management and is recognised in the statement of profit and loss. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation for assets purchased / sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

<u>Asset</u>	<u>Useful life</u>
Plant and equipment	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Data processing equipment	3 - 5 years
Buildings	30 - 60 years
Right to use lease assets	Lease period

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

iv. Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

(b) Impairment

(i) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

(ii) Non -financial assets

Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated units to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.



J B Mangharam Foods Private Limited
Notes to financial statements (Continued)

3. Significant accounting policies (continued)

(c) Leases

Effective from 1 April 2019, the Company has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17-Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Company at the inception of a contract, assesses whether the a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Lessor accounting remains similar to the accounting under the previous standard i.e. lessor continues to classify leases as finance or operating lease. This policy is applied to contracts entered into, or changed, on or after 1 April 2019. For contracts entered into before 1 April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the Statement of the Profit and Loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings & other financial liabilities. In the comparative period, leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(d) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Finished goods are valued at lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition).



J B Mangharam Foods Private Limited
Notes to financial statements (Continued)

3. Significant accounting policies (continued)

(e) Financial instruments

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates

Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(f) Revenue recognition

The Company recognises revenue to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

(i) Sale of goods:

Revenue is recognised when a customer obtains control of the goods which is mainly upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery is recognised for these contracts and presented separately in the balance sheet.

(ii) Conversion income is recognised when finished goods are ready for dispatch, which are manufactured on behalf of Britannia Industries Limited "BIL" based on predetermined rate agreed between the parties. The Company also follows a practice of recognising accrued income on biscuits manufactured on behalf of BIL, physical dispatch of which happen after the date of the balance sheet.

(iii) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

VG



J B Mangharam Foods Private Limited
Notes to financial statements (Continued)

3. Significant accounting policies (continued)

(g) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

iii. Minimum Alternate Tax (MAT)

Minimum alternate tax ('MAT') under the provisions of Income Tax Act'1961 is recognised as current tax in the Statement of Profit & Loss. The Credit available under the Act in respect of MAT paid 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 period for which MAT credit can be carried forward for set-off against normal liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. MAT credit entitlement at year end is grouped with Deferred Tax Assets(Net) in the Balance Sheet of an entity.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

(i) Provisions and contingent liabilities

i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous contracts

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.



Vh

J B Mangharam Foods Private Limited
Notes to financial statements (Continued)

3. Significant accounting policies (continued)

(j) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee renders the related service. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 1 January every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(m) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(n) Recent accounting pronouncements

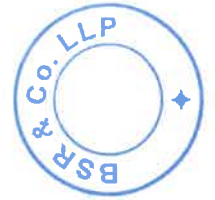
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.



J B Mangharam Foods Private Limited
Notes to financial statements (continued)

4 Property, plant and equipment and capital work-in-progress

Particulars	Rs. in thousands						
	Right to use assets- Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Motor vehicles	Data processing equipment	Total
Gross carrying amount							
Balance as at 1 April 2018	14,008	164,065	224,232	2,243	894	3,591	409,033
Additions	-	30,720	7,167	38	-	170	38,096
Disposals	-	-	(1,940)	(23)	-	(592)	(2,556)
Balance as at 31 March 2019	14,008	194,785	229,459	2,258	894	3,168	444,572
Balance as at 1 April 2019	14,008	194,785	229,459	2,258	894	3,168	444,572
Additions	-	1,583	27,056	-	-	240	28,879
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	14,008	196,368	256,515	2,258	894	3,408	473,451
Accumulated depreciation							
Balance as at 1 April 2018	5,120	72,957	172,919	1,946	724	3,325	256,991
Depreciation for the year	198	10,809	16,362	335	51	213	27,968
Disposals	-	-	(1,940)	(23)	-	(592)	(2,555)
Balance as at 31 March 2019	5,318	83,766	187,341	2,258	775	2,946	282,404
Balance as at 1 April 2019	5,318	83,766	187,341	2,258	775	2,946	282,404
Depreciation for the year	202	11,042	19,145	-	38	296	30,723
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	5,520	94,808	206,486	2,258	813	3,242	313,127
Carrying amount (net)							
As at 31 March 2020	8,488	101,560	50,029	-	81	166	160,324
As at 31 March 2019	8,690	111,019	42,118	-	119	222	162,168
Capital work-in-progress							
Carrying amount							
Balance as at 1 April 2018							21,658
Additions							19,741
Assets capitalised							(21,658)
Balance as at 31 March 2019							19,741
Balance as at 1 April 2019							19,741
Additions							9,138
Assets capitalised							(28,879)
Balance as at 31 March 2020							-



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J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020 (FV)	As at 31 March 2019 (FV)
At cost less provision for other than temporary impairment					
Unquoted					
(I) Investment in government securities				26	26
(II) Investment in equity instruments					
Associate					
3,200 Equity Shares of Vasama Agrex and Herbs Private Limited at Rs. 10 each fully paid up	Rs. 10	3,200	3,200	32	32
Less: Provision for diminution in value of investments				(32)	(32)
Total long-term investments				26	26
Total quoted non-current investments				-	-
Total unquoted non-current investments				26	26
Aggregate provision for impairment in value of investments				32	32

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J B Mangharam Foods Private Limited
Notes to financial statements (continued)

6 Income tax

(a) Amounts recognised in Statement of Profit and Loss

Rs. in thousands

For the year ended	31 March 2020	31 March 2019
Current tax	4,775	6,080
Deferred tax		
Attributable to origination and reversal of temporary differences	(904)	(363)
Tax expense for the year	3,871	5,717

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2020			31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(1,928)	536	(1,392)	(5,272)	1,467	(3,805)
	(1,928)	536	(1,392)	(5,272)	1,467	(3,805)

(c) Reconciliation of effective tax rate

For the year ended	31 March 2020	31 March 2019
Profit before tax	11,180	22,300
Tax using the Company's domestic tax rate	27.82%	27.82%
Tax effect of:		
Impact of change in tax rate	-	0.27%
Others	6.80%	-2.45%
	34.62%	25.64%
	3,871	5,717

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 March 2020	31 March 2019
Deferred tax assets / (liabilities)		
Provision for gratuity	4,915	3,528
Provision for compensated absences	1,935	1,033
Other provisions	2,893	3,845
Provision for bonus	6,177	5,689
Property, plant and equipment	8,222	8,606
Deferred tax assets (net)	24,142	22,701

(e) Movement in temporary differences

	As at 1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2019
Provision for Gratuity	2,144	1,384	-	-	-	3,528
Provision for compensated absences	1,521	(488)	-	-	-	1,033
Other provisions	4,944	(1,099)	-	-	-	3,845
Provision for bonus	5,550	139	-	-	-	5,689
Property, plant and equipment	8,179	427	-	-	-	8,606
	22,338	363	-	-	-	22,701

	As at 1 April 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2020
Provision for gratuity	3,528	850	536	-	-	4,915
Provision for compensated absences	1,033	902	-	-	-	1,935
Other provisions	3,845	(952)	-	-	-	2,893
Provision for bonus	5,689	488	-	-	-	6,177
Property, plant and equipment	8,606	(384)	-	-	-	8,222
	22,701	904	536	-	-	24,142

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019:

As at	31 March 2020	31 March 2019
Income tax asset (net)	22,251	24,064
Income tax liabilities (net)	(5,515)	(5,515)
Net current income tax asset/ (liability) at the end	16,736	18,549

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2020 and 31 March 2019 is as follows:

For the year ended	31 March 2020	31 March 2019
Net current income tax asset/(liability) at the beginning	18,549	14,952
Income tax paid (net)	2,962	8,209
Current income tax expense	(4,775)	(4,612)
Net current income tax asset/(liability) at the end	16,736	18,549



J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

As at	31 March 2020	31 March 2019
7 Loans		
<i>(Unsecured, considered good)</i>		
Non current		
Security deposits	5,161	4,277
<i>(Unsecured, considered doubtful)</i>		
Security deposits	2,015	2,015
Less: Provision for doubtful security deposits	<u>(2,015)</u>	<u>(2,015)</u>
	<u>5,161</u>	<u>4,277</u>
8 Other non-current assets		
<i>(Unsecured, considered good)</i>		
Capital advances	-	310
	<u>-</u>	<u>310</u>
9 Inventories*		
Raw materials	88,632	60,527
Packing materials	56,174	62,286
Finished goods	6,579	10,780
Stores and spare parts	21,289	19,768
	<u>172,674</u>	<u>153,361</u>
* Refer note 3 (d) for mode of valuation for inventories.		
The write down of inventories to net realisable value during the year amounted to Rs. Nil (31 March 2019: Rs.Nil)		
10 Trade Receivables		
<i>(Unsecured, considered good)</i>		
Receivables from related parties (Refer note 33)	49,775	115,780
	<u>49,775</u>	<u>115,780</u>
The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 35.		
11 Cash and bank balances		
<i>Cash and cash equivalents:</i>		
On current accounts	48,320	19,055
On deposit accounts with original maturity of 3 months or less	13,754	-
	<u>62,074</u>	<u>19,055</u>
12 Other financial assets		
<i>(Unsecured, considered good)</i>		
Other receivables (Refer note 33)	43,727	14,666
	<u>43,727</u>	<u>14,666</u>
13 Other current assets		
<i>(Unsecured, considered good)</i>		
<i>Advances other than capital advances</i>		
- Other advances	4,911	3,169
<i>Others</i>		
- Prepaid expenses	1,076	1,247
- Balance with government authorities	6,214	3,546
- Advances to related parties (Refer Note 33)	27,000	27,000
Less : Provisions for doubtful advances	<u>(27,000)</u>	<u>(27,000)</u>
	<u>12,201</u>	<u>7,962</u>



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J.B. Mangharam Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

As at	31 March 2020	31 March 2019
14 Equity share capital		
Equity shares		
Authorised		
[500,000 equity shares of Rs 10 each (31 March 2019: 500,000 equity shares of Rs 10 each)]	5,000	5,000
Issued, subscribed and paid up		
[450,150 equity shares of Rs 10 each (31 March 2019: 450,150 equity shares of Rs 10 each)]	4,502	4,502
	4,502	4,502

Rights, preferences and restrictions attached to the equity share.

- The Company has one class of equity shares having a par value of Rs 10 each. Each share holder is eligible for one vote per share held.
- The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(a) Reconciliation of shares outstanding at the beginning and at the end of the year is as under:

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
At the commencement and at the end of the year	450,150	4,502	450,150	4,502

(b) Shares held by holding company and / or their subsidiaries / associates

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up held				
Britannia Industries Limited, holding company	354,138	3,541	354,138	3,541
Boribunder Finance and Investments Private Limited, subsidiary of holding company	96,012	960	96,012	960

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	% of total equity shares	Number of equity shares	% of total equity shares
Equity shares of Rs. 10 each fully paid held by:				
Britannia Industries Limited, holding company	354,138	79%	354,138	79%
Boribunder Finance and Investments Private Limited, subsidiary of holding company	96,012	21%	96,012	21%

(d) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

15 Other Equity

	Capital Redemption Reserve	General Reserve	Retained earnings	Other items of OCI	Total other equity
Balance as at 1 April 2018	6	7,500	48,197	(3,818)	51,885
Additions					
Remeasurement of defined benefit liability	-	-	-	(3,805)	(3,805)
Loss for the year	-	-	16,583	-	16,583
Balance as at 31 March 2019	6	7,500	64,780	(7,623)	64,663
Balance as at 1 April 2019	6	7,500	64,780	(7,623)	64,663
Additions					
Remeasurement of defined benefit liability	-	-	-	(1,392)	(1,392)
Profit for the year	-	-	7,309	-	7,309
Balance as at 31 March 2020	6	7,500	72,089	(9,015)	70,580

Nature and purpose of other reserves

Capital redemption reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

16 Borrowings

	As at 31 March 2020	As at 31 March 2019
Non - current		
Secured		
Long term maturities of term loan	96,236	136,268
	96,236	136,268
Details of security and terms of repayment for the non current borrowings :		
Long term loan	96,236	136,268
Current maturities of long term debt	40,031	40,030
	136,267	176,298

The long term loans include:

- (a) Loan amounting Rs. 94,600 (31 March 2019: Rs. 126,298) taken from HSBC Bank which is repayable in 24 equal quarterly installments. The rate of interests is 8.65%.
 - (b) Term loan of Rs. 41,667 (31 March 2019: Rs. 50,000) from HSBC bank for acquisition of capital equipment which is repayable in 24 equal quarterly installments and rate of interest for the new loan is payable as per bank MCLR for the appropriate tenor.
- Both loans are secured by an exclusive charge on existing and future movable assets, current assets, letter of comfort from Britannia Industries Limited and negative lien on immovable fixed assets as securities to HSBC for availing the said facilities.

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J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

As at				
17 Provisions	Long term		Short term	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits:				
Provision for compensated absences	3,555	2,743	400	370
Provision for workmen compensation	10,400	12,631	-	-
Provision for gratuity (refer note 34)	17,667	12,681	-	-
Total provisions	31,622	28,055	400	370

As at		31 March 2020	31 March 2019
18 Trade payables			
Total outstanding dues to micro enterprises and small enterprises [refer note below]		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises *		268,027	227,927
		268,027	227,927

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2020. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:

- Principal	-	-
- Interest	-	-

(b) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year

-

(c) 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 MSMED Act, 2006

-

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year

-

(e) 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 purposes of disallowance as a deductible expenditure under the MSMED Act, 2006

-

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 35.

*Includes dues to related party (refer note 33)

19 Other financial liabilities

Current maturities of long term debt (also refer note 16)	40,031	40,030
Interest accrued but not due	946	-
Creditors for capital goods	1,800	3,084
Payroll related liabilities	12,562	11,085
	55,339	54,199

20 Other current liabilities

Statutory liabilities	20,134	22,612
	20,134	22,612



J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

For the year ended	31 March 2020	31 March 2019
21 Revenue from operations (refer note 38)		
Sale of goods	2,334.800	2,286.665
Conversion Charges (including commitment charges)	64.240	42.893
	2,399,040	2,329,558
22 Other operating revenues		
Scrap sales	3,231	241
Sale of raw materials	12,652	9,675
Provisions no longer required written back	3,943	6,174
	19,826	16,090
23 Other income		
Interest income on:		
- Financial assets carried at amortised cost	1,428	1,053
- Income tax refund	658	-
Profit on sale of property, plant and equipment	-	3
	2,086	1,056
24 Cost of materials consumed		
Inventory of materials at the beginning of the year (refer note 9)	122,813	103,158
Add: Purchases	1,945,498	1,912,783
Less: Inventory of materials at the end of the year (refer note 9)	144,806	122,813
	1,923,505	1,893,128
25 Changes in inventories of finished goods		
Opening stock: (refer note 9)		
- Finished goods	10,780	8,619
Closing stock: (refer note 9)		
- Finished goods	6,579	10,780
Decrease/(Increase) in inventory	4,201	(2,161)
26 Employee benefits expense		
Salaries, wages and bonus	89,338	79,169
Contribution to provident and other funds [refer note 34]	11,701	13,707
Staff welfare expenses	7,232	6,958
	108,271	99,834
27 Finance costs		
Interest expense	21,166	12,640
	21,166	12,640
28 Other expenses		
Consumption of stores and spares	5,463	3,826
Power and fuel	109,308	102,393
Rent (refer note 30)	2,953	2,821
Contract labour charges	148,394	131,632
Repairs and maintenance:		
- Plant and equipment	30,975	27,420
- Buildings	443	1,639
- Others	170	196
Insurance	979	1,015
Rates and taxes, net	3,770	4,359
Auditors' remuneration :		
- Audit fees (a)	178	178
Travelling and conveyance	1,208	1,321
Security charges	5,003	4,790
Legal and professional expenses	1,251	1,509
Miscellaneous expenses	11,811	9,896
	321,906	292,995

(a) Excludes applicable taxes



J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

As at	31 March 2020	31 March 2019
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29 Contingent liabilities and commitments (to the extent not provided for)

i) Contingent Liabilities

Claims / demand against the Company not acknowledged as debts		
- Tax matters - Excise and service tax	44,872	43,088
- Tax matters - Sales tax	336	336
- Tax matters - Income tax	6,013	6,013

ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.1,775 (31 March 2019: Rs.3,493)

Note :

(i) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Holding Company (Britannia Industries Limited) has recognised a provision in its books for provident fund contribution with respect to Company's employees during previous year and the Company does not expect any material impact of the same. Accordingly, no provision has been recognised in the Company's books. The Company will evaluate its position and create provision if required on receiving further clarity on the subject.

(ii) The Company has an ongoing litigation with respect to certain employees who were terminated for their misconduct. The Company carries a provision with respect to the outflow in relation to the aforesaid litigation on a best estimate basis (Refer note 17).

30 Operating leases

The Company has certain operating leases for guest house facilities and cold storage (short term leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of Rs.2,953 (31 March 2019: Rs.2,821) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

31 Earnings per share (EPS)

	31 March 2020	31 March 2019
a Net profit attributable to the equity shareholders (in rupees thousands)	7,309	16,583
b Number of equity shares at the beginning of the year	450,150	450,150
c Number of equity shares at the end of the year	450,150	450,150
d Weighted average number of equity shares outstanding during the year	450,150	450,150
e Nominal value of equity shares (Rs.)	10	10
f Basic earnings per share (Rs.)	16.24	36.84

The Company does not have potential dilutive equity shares outstanding, accordingly the basic and diluted earnings per share is the same.

32 Segment information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

The operating segment of the Company is identified to be "Foods" as the CODM reviews business performance at an overall Company level as one segment.



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33 Related parties

(a) Names of related parties and nature of relationship are as follows:

List of related parties	Name of the related party
Ultimate holding company	The Bombay Burmah Trading Corporation Limited
Holding company	Britannia Industries Limited
Fellow subsidiary	Vasana Agrex and Herbs Private Limited Manna Foods Private Limited International Bakery Products Limited

(b) Outstanding balances as at year end

Particulars	31 March 2020	31 March 2019
1) Britannia Industries Limited		
- Trade Receivables	49,450	115,780
- Trade Payables	(46,464)	-
2) Vasana Agrex and Herbs Private Limited		
- Advances (fully provided)	27,000	27,000
- Investment in equity instrument (fully provided)	32	32
3) Britannia Industries Limited		
-Other Financial Assets	43,727	14,666
4) International Bakery Products Limited		
- Trade Receivables	326	-
- Trade Payables	(633)	-

(c) Related party transactions

Nature of transaction	Year ended 31 March 2020	Year ended 31 March 2019
Britannia Industries Limited		
Sale of Goods (Net of Taxes)	2,334,800	2,286,665
Conversion income (including commitment charges)	64,240	42,893
Purchase of materials (Net of Taxes)	64,399	-
Sale of RM / PM Goods (Net of Taxes)	12,366	-
Recovery of expenses by BIL	1,513	-
Recovery of expenses by JBM	7,649	-
Manna Foods Private Limited		
Purchase of materials (Net of Taxes)	174	-
International Bakery Products Limited		
Sale of RM / PM Goods (Net of Taxes)	286	-
Purchase of materials (Net of Taxes)	549	-



34 Employee benefits: Post-employment benefit plans

Defined contribution plans

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The company has no obligation other than to make the specified contributions. The contributions are charged to Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs. 6,261 (previous year Rs. 5,352) and is included in "Employee benefits expense" in note 26.

Defined benefit plans

The company has a gratuity plan which is in the nature of defined benefit. Every employee who has completed five years or more of service is entitled to gratuity. The scheme is funded with Life Insurance Corporation of India. The company make annual contribution to the Life Insurance Corporation of India. The following table sets out the status of the Gratuity Plan as required under Ind-AS:

Particulars	31 March 2020	31 March 2019
(i) Expense recognised in the Statement of Profit and Loss		
Current service cost	2,107	1,649
Past service cost	(4)	-
Interest cost on benefit obligation	2,776	2,184
Interest income on plan assets	(1,823)	(1,616)
Net gratuity cost	3,056	2,217
(ii) Remeasurements recognised in statement of Other comprehensive income		
Actuarial loss due to financial assumptions	2,388	(238)
Actuarial (gain) / loss due to experience adjustments	(56)	5,627
Return on plan assets excluding interest income	(404)	(117)
	1,928	5,272
(iii) Net liability recognised in Balance Sheet as at the year end		
Projected benefit obligation at the end of the year	43,043	37,497
Funded status of the plans	(25,376)	(24,816)
Net liability recognized in the Balance Sheet	17,667	12,681
Classified as:		
Short-term provisions	-	-
Long-term provisions	17,667	12,681
	17,667	12,681
(iv) Changes in the present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of year	37,497	29,890
Current service cost	2,107	1,650
Past service cost	(4)	-
Interest cost	2,777	2,184
Benefits paid	(1,667)	(1,616)
Actuarial loss due to Demographic assumptions	(605)	-
Actuarial loss due to financial assumptions	2,993	(238)
Actuarial loss due to experience adjustments	(56)	5,627
Present value of defined benefit obligation at the end of the year	43,043	37,497
(v) Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	24,816	22,184
Expected return on plan assets	1,823	1,631
Contributions	-	2,500
Benefits paid	(1,667)	(1,616)
Actuarial gain on plan asset	404	117
Fair value of plan assets at the end of the year	25,376	24,816
(vi) Actual return on plan assets		
Expected return on plan assets	1,823	1,631
Actuarial gain on plan assets	404	117
Actual return on plan assets	2,227	1,748

As at 31 March 2020 and 2019, 100% of the plan assets were invested in the insurer managed funds.



34 Employee benefits: Post-employment benefit plans(continued)

(vii) Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as of end of reporting period is

A. Discount rate		
Discount rate -50 basis points	44,678	36,346
Assumptions	6.10%	7.10%
Discount rate +50 basis points	41,501	38,710
Assumptions	7.10%	8.10%
B. Salary increase rate		
Salary rate -50 basis points	41,587	36,409
Assumptions	5.50%	5.50%
Salary rate +50 basis points	44,560	38,632
Assumptions	6.50%	6.50%
C. Withdrawal rate		
Withdrawal rate -100 basis points	42,888	37,241
Withdrawal rate +100 basis points	43,177	37,727

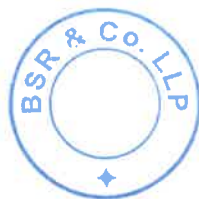
(viii) Actuarial assumptions

	31 March 2020	31 March 2019
Discount rate	6.60%	7.60%
Expected rate of return on plan assets	6.60%	7.60%
Future salary increase	6.00%	6.00%
Attrition rate:	4.00%	4.00%
Retirement age (in years)	60	58

(i) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at year end for the estimated term of the obligations.

(iii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.



35 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and investment risk.

(i) Foreign currency risk

The Company's operations does not give rise to any foreign currency risk exposure. Hence no disclosure is made in the financial statements.

(ii) Investment risk

The Company has made investments in Government certificates which are not exposed to any investment risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing borrowings in these financial statements.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	Carrying Amount	
	31 March 2020	31 March 2019
Variable rate instruments		
Long-term borrowings	96,236	136,268
Current maturities of long-term debt	40,031	40,030

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2020	31 March 2019
Increase/ (decrease) in 100 basis point	1,363	1,763

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Based on our assessment and current estimates the carrying value and the provisions made as at 31 March 2020 is considered adequate.

Trade and other receivables

The entire revenue appearing in the financial statements is generated from a single customer. Further, as the Company is dealing with a single customer, the impairment analysis is performed for the debtors that are past due at the end of each reporting date. The Company does not have any receivables that are past due and accordingly no allowance for doubtful debts had been considered.

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35 Financial risk management(continued)

c. Liquidity risk

The financial liabilities of the Company include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool.

The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

Particulars	31 March 2020	31 March 2019
Long-term borrowings including current maturity of long-term debts (Carrying amount)	136,267	176,298
0 - 3 months	10,008	7,924
3 - 12 months	30,023	23,773
1 - 2 years	40,031	31,698
2 - 5 years	56,205	94,601
More than 5 years	-	-
Trade payables (carrying amount)		
Contractual cash flows of trade payables	268,027	207,486
Less than 1 year	268,027	207,486
Other financial liabilities (carrying amount)		
Contractual cash flows of other financial liabilities	15,308	14,169
Less than 1 year	15,308	14,169

Impact of Covid 19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the company does not expect any material impact on the carrying amount of these assets & liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

36 Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital. The Company aims to manage its capital efficiency so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes borrowings from bank.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	31 March 2020	31 March 2019
Total Debt	136,267	176,298
Total equity	75,082	69,165
Debt to equity	181%	255%

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J B Mangharam Foods Private Limited
Notes to financial statements (continued)

37 Financial instruments - fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020:

Rs. in thousands

Particulars	Carrying amount				Total carrying amount
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	
Financial assets not measured at fair value *					
(i) Investments	-	-	26	-	26
(ii) Trade receivables	-	-	49,775	-	49,775
(iii) Cash and cash equivalent	-	-	62,074	-	62,074
(iv) Loans	-	-	5,161	-	5,161
(v) Other financial assets	-	-	43,727	-	43,727
	-	-	160,763	-	160,763
Financial liabilities not measured at fair value *					
(i) Borrowings	-	-	-	136,267	136,267
(ii) Trade payables	-	-	-	268,027	268,027
(ii) Other financial liabilities	-	-	-	15,308	15,308
	-	-	-	419,602	419,602

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019:

Particulars	Carrying amount				Total carrying amount
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	
Financial assets not measured at fair value *					
(i) Investments	-	-	26	-	26
(ii) Trade receivables	-	-	115,780	-	115,780
(iii) Cash and cash equivalent	-	-	19,055	-	19,055
(iv) Loans	-	-	4,277	-	4,277
(v) Other financial assets	-	-	14,666	-	14,666
	-	-	153,804	-	153,804
Financial liabilities not measured at fair value *					
(i) Borrowings	-	-	-	176,298	176,298
(ii) Trade payables	-	-	-	227,927	227,927
(iii) Other financial liabilities	-	-	-	14,169	14,169
	-	-	-	418,394	418,394

* The carrying value of cash and cash equivalents, trade receivables, investments, borrowings, trade payables and other financial assets and liabilities are at reasonable approximation of their fair value.

The Company's loans have been contracted at market rate of interest. Accordingly the carrying value of such loans approximate their fair values.

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J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

38 A. Revenue streams

The Company is primarily involved in manufacturing and sale of various food products. Other sources of revenue include scrap sales and sale of raw materials.

	Note	31 March 2020	31 March 2019
Sale of goods	21	2,399,040	2,329,558
Other operating revenue	22	19,826	16,090
Total revenue		2,418,866	2,345,648

B. Disaggregation of revenue from contracts

Entire revenue of the business is generated from the operations in India.

C: Trade receivable and contractual balances:

The Company classifies the right to consideration in exchange for deliverables as a receivable. Trade receivable are presented net of impairment in the balance sheet.

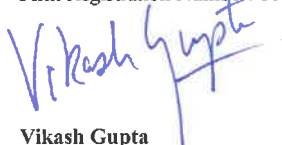
	31 March 2020	31 March 2019
Trade receivables	49,775	115,780

The Company does not incur any cost to obtain or fulfil a contract with the customer.

39 During the year ended 31 March 2020, no material foreseeable loss (31 March 2019: Nil) was incurred for any long-term contract.

As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022




Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date: 1 June 2020

for and on behalf of the Board of Directors of
J.B. Mangharam Foods Pvt Ltd
CIN No. U15100MH1984PTC031983


Venkataraj Natarajan
Director
DIN: 05220857

Place : Bengaluru
Date: 1 June 2020


Vinay Singh Kushwaha
Director
DIN:03480249

Place : Bengaluru
Date: 1 June 2020