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Independent Auditor's Report

To the Members of J B Mangharam Foods Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of J B Mangharam Foods Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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.

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' 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.

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Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, 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 made by management;

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

10. 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, BSR & Co. LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 01 June 2020.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 31 March 2021 as per Annexure II expressed unmodified opinion; and

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BENGALURU
Chartered Accountants
CHARTERED ACCOUNTANTS

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

   i. The Company, as detailed in note 28 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021.

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAABL5808

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Place: Bengaluru
Date: 26 April 2021

Annexure I to the Independent Auditor's Report of even date to the members of J B Mangharam Foods Private Limited) on the financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in every 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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CHARTERED ACCOUNTANTS

Annexure I to the Independent Auditor's Report of even date to the members of J B Mangharam Foods Private Limited) on the financial statements for the year ended 31 March 2021

(vii)(b) The dues outstanding in respect of income-tax, sales-tax, goods and service-tax, duty of customs and duty of excise on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (in ₹'000)	Amount paid under Protest (₹'000)	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh Value Added Tax,2002	Sales Tax	226	64	2005-06	Madhya Pradesh Commercial Tax Board, Bhopal
Madhya Pradesh Value Added Tax,2002	Sales Tax	110	11	2006-07	Madhya Pradesh Commercial Tax Board, Bhopal
Central excise act,1944	Excise duty	21,359	-	2008-09 and 2009-10	High Court, Madhya Pradesh
Finance act;1994	Service tax	20,479	-	2012-13 and 2016-17	CESTAT, New Delhi
Finance act;1994	Service tax	1,784	-	2017-18	Commissioner of Customs, Goods and Service Tax (Appeals), Bhopal
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

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained, though surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

WALKER CHANDIOK & CO LLP
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CHARTERED ACCOUNTANTS
Chartered Accountants

Annexure I to the Independent Auditor's Report of even date to the members of J B Mangharam Foods Private Limited) on the financial statements for the year ended 31 March 2021

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAABL5808

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Place: Bengaluru
Date: 26 April 2021

Annexure II to the Independent Auditor's Report of even date to the members of J B Mangharam Foods Private Limited) on the financial statements for the year ended 31 March 2021

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

1. In conjunction with our audit of the financial statements of J B Mangharam Foods Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 if such controls operated effectively in all material respects.

4. 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 includes 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.

5. 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.

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Annexure II to the Independent Auditor's Report of even date to the members of J B Mangharam Foods Private Limited) on the financial statements for the year ended 31 March 2021

Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, 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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAABL5808

WALKER CHANDIOK & CO LLP * BENGALURU * CHARTERED ACCOUNTANTS *

Place: Bengaluru
Date: 26 April 2021

J.B. Mangharam Foods Private Limited
Balance Sheet

Rs. in thousands

As at		Note	31 March 2021	31 March 2020
I	**Assets**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	1,37,003	1,60,324
	(b) Capital work-in-progress	4	1,629	-
	(c) Financial assets			
	(i) Investments	5	26	26
	(ii) Loans receivable	7	5,518	5,161
	(d) Deferred tax assets (net)	6	24,141	24,142
	(e) Income-tax assets (net)	6	15,837	22,251
	Total non-current assets		**1,84,154**	**2,11,904**
(2)	**Current assets**			
	(a) Inventories	8	1,87,101	1,72,674
	(b) Financial assets			
	(i) Trade receivables	9	1,28,267	49,775
	(ii) Cash and cash equivalents	10	9,896	62,074
	(iii) Other financial assets	11	10,185	43,727
	(c) Other current assets	12	12,176	12,201
	Total current assets		**3,47,625**	**3,40,451**
	Total assets		**5,31,779**	**5,52,355**
II	**Equity and liabilities**			
(1)	**Equity**			
	(a) Equity share capital	13	4,502	4,502
	(b) Other equity	14	74,827	70,580
	Total equity		**79,329**	**75,082**
(2)	**Liabilities**			
(A)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	15	56,205	96,236
	(b) Provisions	16	30,021	28,067
	Total non-current liabilities		**86,226**	**1,24,303**
(B)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	17		
	(a) total outstanding dues of micro enterprises and small enterprises		-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,74,401	2,68,027
	(ii) Other financial liabilities	18	54,607	55,339
	(b) Other current liabilities	19	27,537	20,134
	(c) Provisions	16	4,903	3,956
	(d) Current tax liabilities (net)	6	4,776	5,515
	Total current liabilities		**3,66,224**	**3,52,970**
	Total liabilities		**4,52,450**	**4,77,273**
	Total equity and liabilities		**5,31,779**	**5,52,355**
	Significant accounting policies	3		

See accompanying notes to the financial statements

As per our report of even date attached

for Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership number: 210122

Place : Bengaluru
Date: 26 April 2021

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

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

Venkataraman Natarajan
Director
DIN : 05220857

Place : Bengaluru
Date: 26 April 2021

Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru
Date: 26 April 2021

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

Rs. in thousands

	For the year ended	Note	31 March 2021	31 March 2020
I	**Revenue from operations**			
	Sale of goods/income from operations	20	27,51,916	23,99,040
	Other operating revenues	21	20,130	19,826
			27,72,046	**24,18,866**
II	**Other income**	22	797	2,086
III	**Total income (I+II)**		**27,72,843**	**24,20,952**
IV	**Expenses**			
	Cost of materials consumed	23	22,35,252	19,23,505
	Changes in inventories of finished goods	24	(12,279)	4,201
	Employee benefits expense	25	1,23,210	1,08,271
	Finance costs	26	31,088	21,166
	Depreciation	4	25,389	30,723
	Other expenses	27	3,65,440	3,21,906
	Total expenses		**27,68,100**	**24,09,772**
V	**Profit before tax (III-IV)**		**4,743**	**11,180**
VI	**Tax expense:**			
	(i) Current tax	6	3,469	4,775
	(ii) Deferred tax	6	(826)	(904)
	Total tax expense		**2,643**	**3,871**
VII	**Profit for the year (V-VI)**		**2,100**	**7,309**
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to statement of profit or loss			
	Remeasurements of net defined benefit (liability)/ asset		2,974	(1,928)
	Income tax relating to items not to be reclassified subsequently to statement of profit or loss		(827)	536
	Other comprehensive income, net of tax		**2,147**	**(1,392)**
IX	**Total comprehensive income for the year (VII + VIII)**		**4,247**	**5,917**
	Earnings per share (face value of Rs.10 each)	31		
	Basic and Diluted [in Rs.]		4.67	16.24
	Weighted average number of equity shares used in computing earnings per share:			
	- Basic and Diluted		4,50,150	4,50,150
	Significant accounting policies	3		

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

for **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership number: 210122

Place : Bengaluru
Date: 26 April 2021

WALKER CHANDIOK & CO LLP * BENGALURU * CHARTERED ACCOUNTANTS *

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

Venkataraman Natarajan
Director
DIN : 05220857

Place : Bengaluru
Date: 26 April 2021

Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru
Date: 26 April 2021

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

Rs. in thousands

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the Company
		Reserves and surplus			Other comprehensive income		
		Retained earnings	Capital redemption reserve	General reserve	Other items of OCI	Total other equity	
Balance as at 1 April 2019	4,502	64,780	6	7,500	(7,623)	64,663	69,165
Changes in equity for the year ended 31 March 2020							
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	(1,392)	(1,392)	(1,392)
Profit for the year	-	7,309	-	-	-	7,309	7,309
Balance as at 31 March 2020	**4,502**	**72,089**	**6**	**7,500**	**(9,015)**	**70,580**	**75,082**

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the Company
		Reserves and surplus			Other comprehensive income		
		Retained earnings	Capital redemption reserve	General reserve	Other items of OCI	Total other equity	
Balance as at 1 April 2020	4,502	72,089	6	7,500	(9,015)	70,580	75,082
Changes in equity for the year ended 31 March 2021							
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	2,147	2,147	2,147
Profit for the year	-	2,100	-	-	-	2,100	2,100
Balance as at 31 March 2021	**4,502**	**74,189**	**6**	**7,500**	**(6,868)**	**74,827**	**79,329**

See accompanying notes to the financial statements

As per our report of even date attached

for **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership number: 210122

Place : Bengaluru
Date: 26 April 2021

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

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

Venkataraman Natarajan
Director
DIN : 05220857

Place : Bengaluru
Date: 26 April 2021

Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru
Date: 26 April 2021

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

Rs. in thousands

For the year ended	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax	4,743	11,180
Adjustments for:		
Depreciation	25,389	30,723
Profit on disposal of property, plant and equipment	(199)	-
Provision no longer required written back	(35)	(3,943)
Interest income	(598)	(1,428)
Finance costs	31,088	21,166
	60,388	**57,698**
Changes in		
Inventories	(14,427)	(19,313)
Trade receivables	(78,492)	66,004
Loans, other financial assets and other current assets	33,211	(34,184)
Accounts payables, other financial liabilities, other current liabilities and provisions	19,165	45,656
Cash generated from operating activities	**19,845**	**1,15,861**
Income tax refund/(paid) (net)	2,206	(2,962)
Net cash from operating activities	**22,051**	**1,12,899**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(3,907)	(10,111)
Proceeds from disposal of property, plant and equipment	199	-
Interest received	598	1,428
Net cash used in investing activities	**(3,110)**	**(8,683)**
Cash flow from financing activities		
Interest paid	(31,088)	(21,166)
Repayment of borrowings	(40,031)	(40,031)
Net cash from/(used in) financing activities	**(71,119)**	**(61,197)**
Net change in cash and cash equivalents	(52,178)	43,019
Cash and cash equivalents at beginning of year	62,074	19,055
Cash and cash equivalents at end of year	**9,896**	**62,074**
Cash and cash equivalents at the end of the year (refer note 11)	9,896	62,074
	9,896	**62,074**
Debt reconciliation statement in accordance with Ind AS 7		
Non current borrowings and current maturities of long term borrowings		
Opening balance	1,36,267	1,76,298
Repayment of borrowings	(40,031)	(40,031)
Proceeds from borrowings	-	-
Closing balance	**96,235**	**1,36,267**

Significant accounting policies (refer note 3)

See accompanying notes to the financial statements

As per our report of even date attached

for **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership number: 210122

Place : Bengaluru
Date: 26 April 2021

WALKER CHANDIOK & CO LLP * BENGALURU * CHARTERED ACCOUNTANTS *

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

Venkataraman Natarajan
Director
DIN : 05220857

Place : Bengaluru
Date: 26 April 2021

Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bengaluru
Date: 26 April 2021

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 26 April 2021.

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 financial statements is included in the following notes:

- Note 29 - 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 2021 is included in the following notes:

- Note 33 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 28 - 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 ,9 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 34 - financial instruments - fair values and risk management

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

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:

Asset	Useful life
Plant and equipment	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Computers and Data processing units	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.

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J B Mangharam Foods Private Limited

Notes to financial statements (Continued)

3. Significant accounting policies (continued)

(c) Leases

Effective 1 April 2019, the Company has applied Ind AS 116, which replaces the erstwhile lease standard, Ind AS 17 Leases and other interpretations. The Company at the inception of a contract, assesses whether 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 does not 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 is 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 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 under property, plant and equipment and lease liabilities have been included under borrowings & other financial liabilities.

As a lessor

Lease income from operating leases, where the Company is a lessor, is recognised on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

(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).

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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.

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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.

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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, current accounts, 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

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

4 Property, plant and equipment and Capital work-in-progress *

Reconciliation of carrying amount

Rs. in thousands

Particulars	Right to use assets-Leasehold land**	Buildings	Plant and equipment	Furniture and fixtures	Motor vehicles	Computers and Data processing units	Total
Gross carrying amount							
Balance as at 1 April 2019	14,008	1,94,785	2,29,459	2,258	894	3,168	4,44,572
Additions	-	1,583	27,056	-	-	240	28,879
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	**14,008**	**1,96,368**	**2,56,515**	**2,258**	**894**	**3,408**	**4,73,451**
Balance as at 1 April 2020	14,008	1,96,368	2,56,515	2,258	894	3,408	4,73,451
Additions	-	752	1,239	78	-	-	2,069
Disposals	-	-	(1,336)	-	-	-	(1,336)
Balance as at 31 March 2021	**14,008**	**1,97,119**	**2,56,418**	**2,335**	**894**	**3,408**	**4,74,184**
Accumulated depreciation							
Balance as at 1 April 2019	5,318	83,766	1,87,341	2,258	775	2,946	2,82,404
Depreciation for the year	202	11,042	19,145	-	38	296	30,723
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	**5,520**	**94,808**	**2,06,486**	**2,258**	**813**	**3,242**	**3,13,127**
Balance as at 1 April 2020	5,520	94,808	2,06,486	2,258	813	3,242	3,13,127
Depreciation for the year	202	10,032	14,946	48	25	136	25,389
Disposals	-	-	(1,336)	-	-	-	(1,336)
Balance as at 31 March 2021	**5,722**	**1,04,840**	**2,20,095**	**2,306**	**838**	**3,378**	**3,37,180**
Carrying amount (net)							
As at 31 March 2021	**8,286**	**92,280**	**36,323**	**29**	**56**	**30**	**1,37,003**
As at 31 March 2020	**8,488**	**1,01,560**	**50,029**	-	**81**	**166**	**1,60,324**
Capital work-in-progress							
Carrying amount							
Balance as at 1 April 2019							19,741
Additions							9,138
Assets capitalised							(28,879)
Balance as at 31 March 2020							-
Balance as at 1 April 2020							-
Additions							1,629
Assets capitalised							-
Balance as at 31 March 2021							**1,629**

* refer note 15 and note 18

**On account of adoption of Ind AS 116 in the previous year (Refer note 3 (c)), existing prepaid lease rentals were re-classified as Right of use assets. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.

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Rs. in thousands

Note 5 - Non current investments

At cost less provision	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unquoted					
(I) Investment in government securities				26	26
(II) Investment in equity instruments					
Associate					
3,200 Equity Shares of Vasana 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 non-current investments				**26**	**26**
Total quoted non-current investments				-	-
Total unquoted non-current investments				26	26
				26	**26**
Aggregate provision for impairment in value of investments				**32**	**32**

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6 Income tax

(a) Amounts recognised in Statement of Profit and Loss

Rs. in thousands

For the year ended	31 March 2021	31 March 2020
Current tax	3,469	4,775
Deferred tax		
- Attributable to origination and reversal of temporary differences	(826)	(904)
Tax expense for the year	**2,643**	**3,871**

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2021			31 March 2020		
	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	2,974	(827)	2,147	(1,928)	536	(1,392)
	2,974	**(827)**	**2,147**	**(1,928)**	**536**	**(1,392)**

(c) Reconciliation of effective tax rate

For the year ended	31 March 2021		31 March 2020	
Profit before tax		4,743		11,180
Tax using the Company's domestic tax rate	25.17%	1,194	27.82%	3,110
Tax effect of:				
Impact of change in tax rate	2.65%	126	0.00%	-
Others	27.91%	1,324	6.80%	761
	55.73%	**2,643**	**34.62%**	**3,871**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 March 2021	31 March 2020
Deferred tax assets / (liabilities)		
Provision for gratuity	4,600	4,915
Provision for compensated absences	1,985	1,935
Other provisions	3,819	2,893
Provision for bonus	5,783	6,177
Property, plant and equipment	7,954	8,222
Deferred tax assets (net)	**24,141**	**24,142**

(e) Movement in temporary differences

	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	851	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	(385)	-	-	-	8,222
	22,701	**904**	**536**	-	-	**24,142**

	As at 1 April 2020	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2021
Provision for gratuity	4,915	512	(827)	-	-	4,600
Provision for compensated absences	1,935	50	-	-	-	1,985
Other provisions	2,893	926	-	-	-	3,819
Provision for bonus	6,177	(394)	-	-	-	5,783
Property, plant and equipment	8,222	(268)	-	-	-	7,954
	24,142	**826**	**(827)**	-	-	**24,141**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020:

As at	31 March 2021	31 March 2020
Income-tax asset (net)	15,837	22,251
Current tax liabilities (net)	(4,776)	(5,515)
Net current income tax asset/ (liability) at the end	**11,061**	**16,736**

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2021 and 31 March 2020 is as follows:

For the year ended	31 March 2021	31 March 2020
Net current income tax asset/(liability) at the beginning	16,736	18,549
Income-tax paid/(refund) (net)	(2,206)	2,962
Current income tax expense	(3,469)	(4,775)
Net current income tax asset/(liability) at the end	**11,061**	**16,736**

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Rs. in thousands

	As at	31 March 2021	31 March 2020
7	**Loans receivable**		
	(Unsecured, considered good)		
	Non current		
	Security deposits	5,518	5,161
	(Unsecured, considered doubtful)		
	Security deposits	2,015	2,015
	Less: Provision for doubtful security deposits	(2,015)	(2,015)
		5,518	**5,161**
8	**Inventories***		
	Raw materials	86,727	88,632
	Packing materials	55,486	56,174
	Finished goods	18,859	6,579
	Stores and spare parts	26,029	21,289
		1,87,101	**1,72,674**

* 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 2020: Rs. Nil)

9	**Trade Receivables**		
	(Unsecured, considered good)		
	Receivables from related parties (Refer note 32)	1,28,267	49,775
		1,28,267	**49,775**

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 34.

10	**Cash and cash equivalents**		
	Balances with bank		
	On current accounts	8,711	48,320
	On deposit accounts with original maturity of 3 months or less	1,185	13,754
		9,896	**62,074**
11	**Other financial assets**		
	(Unsecured, considered good)		
	Contract assets (Refer note 32)	10,185	43,727
		10,185	**43,727**
12	**Other current assets**		
	(Unsecured, considered good)		
	Advances other than capital advances		
	- Other advances	3,025	4,911
	Others		
	- Prepaid expenses	2,936	1,076
	- Balance with government authorities	6,215	6,214
	- Advances to related parties (Refer Note 32)	27,000	27,000
	Less : Provisions for doubtful advances	(27,000)	(27,000)
		12,176	**12,201**

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Rs. in thousands

As at	31 March 2021	31 March 2020
13 Equity share capital		
Equity shares		
Authorised		
[500,000 equity shares of Rs 10 each (31 March 2020: 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 2020: 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 if 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 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
At the commencement of the year	4,50,150	4,502	4,50,150	4,502
Add: Shares issued during the year	-	-	-	-
At the end of the year	4,50,150	4,502	4,50,150	4,502

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

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up				
Britannia Industries Limited, holding company	3,54,138	3,541	3,54,138	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 2021		As at 31 March 2020	
	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	3,54,138	79%	3,54,138	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.

14 Other Equity

	Capital Redemption Reserve	General Reserve	Retained earnings	Other items of OCI	Total other equity
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)
Loss for the year	-	-	7,309	-	7,309
Balance as at 31 March 2020	6	7,500	72,089	(9,015)	70,580

	Capital Redemption Reserve	General Reserve	Retained earnings	Other items of OCI	Total other equity
Balance as at 1 April 2020	6	7,500	72,089	(9,015)	70,580
Additions					
Remeasurement of defined benefit liability	-	-	-	2,147	2,147
Profit for the year	-	-	2,100	-	2,100
Balance as at 31 March 2021	6	7,500	74,189	(6,868)	74,827

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.

15 Borrowings	As at 31 March 2021	As at 31 March 2020
Non - current		
Secured		
Long term maturities of term loan	56,205	96,236
	56,205	96,236
Details of security and terms of repayment for the non current borrowings :		
Long term loan	56,205	96,236
Current maturities of long term debt (refer note 18)	40,031	40,031
	96,236	1,36,267

The long term loans include:

(a) Loan amounting Rs. 62,903 (31 March 2020: Rs. 94,600) taken from HSBC Bank which is repayable in 24 equal quarterly installments. The rate of interests is 8.65% (floating rate).

(b) Term loan of Rs. 33,333 (31 March 2020: Rs. 41,667) 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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As at	Long term		Short term	
16 Provisions	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits:				
Provision for compensated absences	-	-	4,903	3,956
Provision for workmen compensation	11,746	10,400	-	-
Provision for gratuity (refer note 33)	18,275	17,667	-	-
Total provisions	**30,021**	**28,067**	**4,903**	**3,956**

As at	31 March 2021	31 March 2020
17 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 *	2,74,401	2,68,027
	2,74,401	**2,68,027**

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 2021. 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 34.
*Includes dues to related party (refer note 32)

18 Other financial liabilities		
Current maturities of long term debt (refer note 15)	40,031	40,031
Interest accrued but not due	-	946
Creditors for capital goods	1,591	1,800
Payroll related liabilities	12,985	12,562
	54,607	**55,339**
19 Other current liabilities		
Statutory liabilities	27,537	20,134
	27,537	**20,134**

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Rs. in thousands

For the year ended	31 March 2021	31 March 2020
20 Revenue from operations (refer note 36)		
Sale of goods	26,38,626	23,34,800
Conversion income (including commitment charges)	1,13,290	64,240
	27,51,916	**23,99,040**
21 Other operating revenues		
Scrap sales	4,607	3,230.51
Sale of raw materials	15,488	12,652
Provisions no longer required written back	35	3,943
	20,130	**19,826**
22 Other income		
Interest income on:		
- Financial assets carried at amortised cost	598	1,428
- Income tax refund	-	658
Profit on sale of property, plant and equipment	199	-
	797	**2,086**
23 Cost of materials consumed		
Inventory of materials at the beginning of the year (refer note 8)	1,44,806	1,22,813
Add: Purchases (refer note 32)	22,32,659	19,45,498
Less: Inventory of materials at the end of the year (refer note 8)	1,42,213	1,44,806
	22,35,252	**19,23,505**
24 Changes in inventories of finished goods		
Opening stock: (refer note 8)		
- Finished goods	6,579	10,780
Closing stock: (refer note 8)		
- Finished goods	18,859	6,579
(Increase)/Decrease in inventory	**(12,279)**	**4,201**
25 Employee benefits expense		
Salaries, wages and bonus	1,03,026	89,338
Contribution to provident and other funds [refer note 33]	12,327	11,701
Staff welfare expenses	7,857	7,232
	1,23,210	**1,08,271**
26 Finance costs		
Interest expense	9,292	12,688
Bill discounting charges	21,796	8,478
	31,088	**21,166**
27 Other expenses		
Consumption of stores and spares	7,302	5,463
Power and fuel	1,15,227	1,09,308
Rent (refer note 29)	3,033	2,953
Contract labour charges	1,75,394	1,48,394
Repairs and maintenance:		
- Plant and equipment	29,762	30,975
- Buildings	642	443
- Others	126	170
Insurance	2,091	979
Rates and taxes (net)	6,154	3,770
Auditors' remuneration :		
- Audit fees (a)	150	178
Travelling and conveyance	1,157	1,208
Security charges	6,152	5,003
Legal and professional expenses	1,474	1,251
Miscellaneous expenses	16,776	11,811
	3,65,440	**3,21,906**

(a) Excludes applicable taxes

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	As at	31 March 2021	31 March 2020
28	**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	43,622	44,872
	- 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.56 (31 March 2020: Rs.1,775)

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 16).

29 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.3,033 (31 March 2020: Rs.2,953) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

30 Earnings per share (EPS)

	31 March 2021	31 March 2020
a Net profit after tax attributable to the equity shareholders (in Rs. thousands)	2,100	7,309
b Number of equity shares at the beginning of the year	4,50,150	4,50,150
c Number of equity shares at the end of the year	4,50,150	4,50,150
d Weighted average number of equity shares outstanding during the year	4,50,150	4,50,150
e Nominal value of equity shares (Rs.)	10	10
f Basic earnings per share (Rs.)	**4.67**	**16.24**

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

31 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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Rs. in thousands

32 Related parties

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

List of related parties	Name of the related party
A) Parties where control exists:	
Ultimate holding company	The Bombay Burmah Trading Corporation Limited
Holding company	Britannia Industries Limited
B) Parties under common control where transactions have taken place:	
Fellow subsidiary	Vasana Agrex and Herbs Private Limited
	Manna Foods Private Limited
	International Bakery Products Limited
C) Other Related parties	
Key Management Personnel (KMP)	Venkataraman Natarajan
	Vinay Singh Kushwaha

(b) Outstanding balances as at year end

Particulars	31 March 2021	31 March 2020
1) Britannia Industries Limited		
- Trade Receivables	1,28,043	49,450
- Trade Payables	(43,678)	(46,464)
-Other Financial Assets	10,185	43,727
2) Vasana Agrex and Herbs Private Limited		
- Advances (fully provided)	27,000	27,000
- Investment in equity instrument (fully provided)	32	32
3) International Bakery Products Limited		
- Trade Receivables	149	326
- Trade Payables	-	(633)

(c) Related party transactions

Nature of transaction	Year ended 31 March 2021	Year ended 31 March 2020
Britannia Industries Limited (BIL)		
Sale of Goods (Net of Taxes)	26,38,626	23,34,800
Conversion income (including commitment charges)	1,13,290	64,240
Purchase of materials (Net of Taxes)	45,794	64,399
Sale of raw materials / packing materials (Net of Taxes)	12,432	12,366
Recovery of expenses by BIL	2,318	1,513
Recovery of expenses by the Company	-	7,649
Manna Foods Private Limited		
Purchase of materials (Net of Taxes)	-	174
International Bakery Products Limited		
Sale of raw materials / packing materials (Net of Taxes)	3,056	286
Purchase of materials (Net of Taxes)	4,122	549

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33 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. 6,179 (previous year Rs. 6,261) 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 2021	31 March 2020
(i)	**Expense recognised in the Statement of Profit and Loss**		
	Current service cost	2,413	2,107
	Past service cost	-	(4)
	Interest cost on benefit obligation	2,771	2,776
	Interest income on plan assets	(1,602)	(1,823)
	Net gratuity cost	**3,582**	**3,056**
(ii)	**Remeasurements recognised in statement of Other comprehensive income**		
	Actuarial (gain) / loss due to financial assumptions	(1,225)	2,388
	Actuarial (gain) / loss due to experience adjustments	(1,941)	(56)
	Return on plan assets excluding interest income	192	(404)
		(2,974)	**1,928**
(iii)	**Net liability recognised in Balance Sheet as at the year end**		
	Projected benefit obligation at the end of the year	42,846	43,043
	Funded status of the plans	(24,571)	(25,376)
	Net liability recognized in the Balance Sheet	**18,275**	**17,667**
	Classified as:		
	Short-term provisions	-	-
	Long-term provisions	18,275	17,667
		18,275	**17,667**
(iv)	**Changes in the present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of year	43,043	37,497
	Current service cost	2,413	2,107
	Past service cost	-	(4)
	Interest cost	2,771	2,777
	Benefits paid	(2,215)	(1,667)
	Actuarial (gain) / loss due to demographic assumptions	-	(605)
	Actuarial (gain) / loss due to financial assumptions	(1,225)	2,993
	Actuarial (gain) / loss due to experience adjustments	(1,941)	(56)
	Present value of defined benefit obligation at the end of the year	**42,846**	**43,043**
(v)	**Change in fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	25,376	24,816
	Expected return on plan assets	1,602	1,823
	Contributions	-	-
	Benefits paid	(2,215)	(1,667)
	Actuarial gain on plan asset	(192)	404
	Fair value of plan assets at the end of the year	**24,571**	**25,376**
(vi)	**Actual return on plan assets**		
	Expected return on plan assets	1,602	1,823
	Actuarial (loss) / gain on plan assets	(192)	404
	Actual return on plan assets	**1,410**	**2,227**

As at 31 March 2021 and 2020, 100% of the plan assets were invested in the insurer managed funds.

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Rs. in thousands

33 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	44,385	44,678
Assumptions	6.10%	6.10%
Discount rate +50 basis points	41,391	41,501
Assumptions	7.10%	7.10%
B. Salary increase rate		
Salary rate -50 basis points	41,471	41,587
Assumptions	5.50%	5.50%
Salary rate +50 basis points	44,274	44,560
Assumptions	6.50%	6.50%
C. Withdrawal rate		
Withdrawal rate -100 basis points	42,622	42,888
Withdrawal rate +100 basis points	43,042	43,177

(viii) Actuarial assumptions	**31 March 2021**	**31 March 2020**
Discount rate	7.00%	6.60%
Expected rate of return on plan assets	7.00%	6.60%
Future salary increase	6.00%	6.00%
Attrition rate:	4.00%	4.00%
Retirement age (in years)	60	60

(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.

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34 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 2021:

Rs. in thousands

Particulars	Carrying amount				
	FVTPL	FVTOCI	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets not measured at fair value *					
(i) Investments	-	-	26	-	26
(ii) Trade receivables	-	-	1,28,267	-	1,28,267
(iii) Cash and cash equivalent	-	-	9,896	-	9,896
(iv) Loans	-	-	5,518	-	5,518
(v) Other financial assets	-	-	10,185	-	10,185
	-	-	**1,53,892**	-	**1,53,892**
Financial liabilities not measured at fair value *					
(i) Borrowings	-	-	-	96,236	96,236
(ii) Trade payables	-	-	-	2,74,401	2,74,401
(ii) Other financial liabilities	-	-	-	14,576	14,576
	-	-	-	**3,85,213**	**3,85,213**

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

Particulars	Carrying amount				
	FVTPL	FVTOCI	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
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
	-	-	**1,60,763**	-	**1,60,763**
Financial liabilities not measured at fair value *					
(i) Borrowings	-	-	-	1,36,267	1,36,267
(ii) Trade payables	-	-	-	2,68,027	2,68,027
(iii) Other financial liabilities	-	-	-	15,308	15,308
	-	-	-	**4,19,602**	**4,19,602**

* 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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Rs. in thousands

34 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**	
Variable rate instruments	**31 March 2021**	**31 March 2020**
Long-term borrowings	56,205	96,236
Current maturities of long-term debt	40,031	40,031

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 2021**	**31 March 2020**
Increase/ (decrease) in 100 basis point	962	1,363

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 2021 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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Rs. in thousands

34 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 2021	31 March 2020
Long-term borrowings including current maturity of long-term debts (Carrying amount)	96,236	1,36,267
0 - 3 months	10,008	10,008
3 - 12 months	30,023	30,023
1 - 2 years	40,031	40,031
2 - 5 years	16,174	56,205
More than 5 years	-	-
Trade payables (carrying amount)		
Contractual cash flows of trade payables	2,74,401	2,68,027
Less than 1 year	2,74,401	2,68,027
Other financial liabilities (carrying amount)		
Contractual cash flows of other financial liabilities	14,576	15,308
Less than 1 year	14,576	15,308

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.

35 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 2021	31 March 2020
Total Debt	96,236	1,36,267
Total equity	79,329	75,082
Debt to equity	121%	181%

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Rs. in thousands

36 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 2021	31 March 2020
Sale of goods/income from operations	20	27,51,916	23,99,040
Other operating revenue	21	20,130	19,826
Total revenue		**27,72,047**	**24,18,866**

B. Disaggregation of revenue from contracts

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

C: Assets and liabilities related to contracts with customers:

As at	31 March 2021	31 March 2020
Trade receivables (refer note 9)	1,28,267	49,775
Contract asset - Unbilled revenue (refer note 11)	10,185	43,727

Trade receivables are non-interest bearing and are generally on short term basis. The Company has recognised Rs. Nil provision for expected credit loss on trade receivables during the year 31 March 2021 (31 March 2020: Rs. Nil).

Contract assets primarily relate to the Company's right to consideration for work completed but not yet billed at reporting date for difference in agreed terms by customers. Contract assets are transferred to receivables when the rights become unconditional.

Particulars	As at 31 March 2021	As at 31 March 2020
Contract assets at the beginning of the year	**43,727**	**14,666**
Accrued revenue during the year	(33,542)	29,061
Contract assets at the end of the year	**10,185**	**43,727**

37 During the year ended 31 March 2021, no material foreseeable loss (31 March 2020: Nil) was incurred for any long-term contract.

38 Comparative figures have been regrouped/ reclassified wherever necessary to conform to current period's presentation.

As per our report of even date attached

for **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership number: 210122

Place : Bengaluru
Date: 26 April 2021

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

Venkataraman Natarajan
Director
DIN: 05220857

Place : Bengaluru
Date: 26 April 2021

Vinay Singh Kushwaha
Director
DIN:03480249

Place : Bengaluru
Date: 26 April 2021

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