MBFSL/CS/2021-22 **July 14, 2021**

To, Department of Corporate Relations, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	To, National Stock Exchange of India Ltd, Exchange Plaza, C- 1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai–400051
Scrip Code : 543253	**Scrip Symbol : BECTORFOOD**

Respected Sir/Madam,

Subject: Annual Report for the Financial Year 2020-21

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2020-21 to be approved and adopted in the 26th (Twenty-Sixth) Annual General Meeting (AGM) of the Company scheduled to be held on August 5, 2021 at 11:00 a.m. IST through Video Conferencing/ Other Audio Visual Means.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2020-21 is also being sent through electronic mode to all the members of the Company whose email addresses are registered with the Company/ Company's RTA or Depository Participant(s).

This Annual Report is also available on the website of the Company i.e. www.cremica.in

This is for your information and record.

Thanking You,

Yours faithfully

For Mrs. Bectors Food Specialities Limited

MRS BECTORS FOOD SPECIALITIES LTD PHILLAUR

Atul Sud
Company Secretary and Compliance Officer
M.No. F10412

Mrs. Bectors Food Specialities Ltd.
Corporate Office: 11-A, Udyog Vihar, Greater Noida, Gautam Budh Nagar, Uttar Pradesh - 201308, India
P: (+91) 120 - 456930
Regd. Office: Theing Road, Phillaur - 144410, Punjab, India P: (+91-1826) 225418, 222826, 2223138 F: (+91-1826) 222915
CIN: L74899PB1995PLC033417, E: compliance@cremica.in

MRS. BECTOR'S CREMICA

ENGLISH OVEN

WELL-BAKED FOR GROWTH!

UNIQUE BRAND PORTFOLIO

DEEP INNOVATION FOCUS

GROWING GLOBAL FOOTPRINT

WORLD-CLASS ASSETS

ANNUAL REPORT **2020-21**

Mrs. Bectors Food Specialities Limited

CONTENTS

Report access
We are committed to reducing our environmental footprint and have therefore printed limited hard copy reports. Our stakeholders are encouraged to view this report available on our website at: www.cremica.in under the 'Financial performance' tab. The complete annual financial statements and all supplementary presentations are also available on our website.

Please help us save our carbon footprint by viewing this report online at ***cremica.in/financial-performance***

ABOUT THIS REPORT

Mrs. Bectors Food Specialities Limited (MBFSL) is listed on the Bombay and National stock exchanges (BSE and NSE). The Company had a closing market capitalisation of ₹ 1,977.41 cr as on 31 March 2021.

BSE stock code: 543253

OUR MATERIAL MATTERS

- Role of MBFSL in creating a more prosperous and sustainable society
- Business model resilience in a rapidly changing consumer and business environment
- Rising demands on governance and regulatory complexity
- Managing liquidity during Covid-19 and strengthening the balance sheet

OUR MATERIAL MATTERS

- Investors and shareholders
- Employees
- Distribution partners
- Community
- Regulatory bodies

FOCUS SDGs

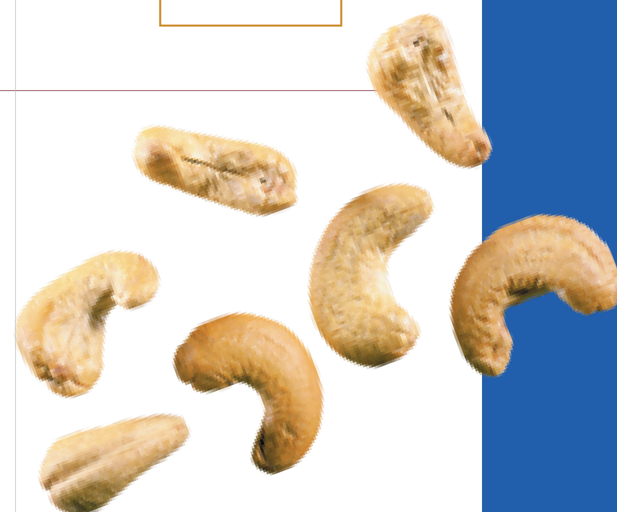
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

What this report covers

This annual report provides information about MBFSL's operational and financial performance for the financial year 1 April 2020 to 31 March 2021. This report is our primary engagement with our stakeholders and particularly aims to provide relevant information to shareholders when making investment decisions. It also provides concise material and reliable information on the Company's strategy, performance, governance and prospects, while explaining our sustainable value creation model.

Forward-looking statements

Certain statements in this report may be regarded as forward-looking statements or forecasts but do not represent an earnings forecast or guarantee. Actual results and outcomes may differ materially from those expressed in or implied by these statements. All forward-looking statements are based solely on the views and considerations of the management.



AS A LISTED COMPANY, WE ARE PROUD TO PRESENT OUR FIRST-EVER ANNUAL REPORT 2020-21!

Anoop Bector
MANAGING DIRECTOR

Inevitably, evolution involves stories of challenge, fortitude, agility and resilience.

Right from our start as a backyard bakery back in 1978, to our IPO in December 2020, we have overcome several challenges in our journey to evolve today as one of the most respected biscuits and bakery brands in India and around the world.

While FY 2020-21 will always be remembered as the year of our maiden listing on India's premier stock exchanges, it will also be recalled as one where we faced the unimaginable – the Covid-19 pandemic.

Yet, even in this uncharted environment we remained supported by the stability of our business foundations that are anchored on our enduring passion for quality and consumer innovation, product value, operational excellence and sustainable performance.

Today, as a foods Company with a growing pan-India presence, as well as robust export footprint in more than 64 countries of the world, we are guided by our purpose of serving the best quality biscuits and bakery products through consumer innovation and value-add.

We believe that our recipe of putting our consumers at the centre of our table will always ensure that our Company creates value today and well into tomorrow!

WELCOME TO THE WORLD OF MRS. BECTORS!

Rajni Bector

FOUNDER AND CHAIRPERSON EMERITUS

We have always believed that while a good bakery brand develops delicious products, a great one creates magical experiences – moments that evoke happiness, spark joy and create delight. Thus, with a vibrant brand portfolio that has the power to create joy, we will continue to innovate and inspire, creating delightful moments of magic every day!

The inspiring story of Mrs. Rajni Bector: From a backyard bakery into a biscuits and breads behemoth!

A homemaker, Mrs. Rajni Bector started baking as a hobby in her backyard in the northern state of Punjab in the early 1970s. Her passion for cooking made her try out various recipes of ice creams, cakes and cookies. They were so delicious that her friends motivated her to start a business out of it. So, operating from her home kitchen with a small oven and an initial investment of ₹ 300, she started her business.

By the late 1970s, though demand for her products soared, profit was elusive and so her businessman-husband intervened. He got her to put in ₹ 20,000 in a small ice cream manufacturing unit. Thereafter there was no looking back as this helped her to accept larger catering orders. Soon, Mrs. Bector became a known name in Ludhiana.

By the 1990s, the business was galloping at a rapid pace under the Cremica brand she created in the 1980s. Interestingly, the word Cremica developed out of "cream-ka" because of her generous use of cream!

The big break came around 1995 when McDonalds signed up with Mrs. Bectors to bake the buns for their burgers. There was no looking back thereafter, as today the Company caters to most large institutional and retail customers through a vast sales network that distributes biscuits and bakery products.

The backyard bakery that Mrs. Bector started in 1978 is today a global business and she is a glowing example of entrepreneurship and empowerment, being conferred with the prestigious Padma Shri, amongst the highest civilian honours in the country, in January 2021.

2017

Conferred with the 'Lifetime Achievement Award' and 'Pride of Punjab' by Global Achievers Forum

2017

Felicitated by SBI for outstanding achievement as an entrepreneur and serving as a role model for women

2014

'Woman of Excellence' from FICCI Ladies Organisation, Ludhiana

2010

'Outstanding Woman Entrepreneur' by Small Industries Development Bank of India

2010

'Hall of Fame 2010, The Premier League' by the Human Factor

2009

'Award for Excellence from FICCI Ladies Organisation, Ludhiana

BRANDS THAT STAND OUT

Our products spread joy and delight in India and around the world!
As a Company steeped in heritage, we are able to leverage our decades of rich experience and unparalleled expertise to delight palates across generations of consumers around the world and be a part of their everyday lives. Our brands are our key differentiators in a competitive marketplace and ensure the consistency of our performance in India and in countries where we export our products.

Rich experience and unparalleled expertise

COMPANY AT A GLANCE

25
Years of rich history

2 Trusted brands
Mrs. Bector's Cremica and English Oven

Corporate office
In Greater Noida, India

2,500+
Employees

64+
Countries of biscuit exports

550,000+
Total points of sale in India

*Little Bharathi from Bengaluru, India, applies spread and bites into her freshly baked **English Oven multi-grain bread** before going to attend online school!*

*Albert from Toronto, Canada, offers **Cremica's Bourbon biscuits** to his visitors as he starts his walk around the historic city!*

*Kiara from Delhi, India, trusts only **English Oven's pizza base** for her daughter as she learns the fine art of making artisanal pizza in her virtual baking class!*

*Chering from Leh, India, ensures that his store is always stocked with **Cremica's choco chip cookies** because they are always 'trending' among his customers!*

*Neha from Noida, India, is amazed at how her sandwiches on **English Oven's parmesan oregano sub-bread,** prepared in her start-up home kitchen, are selling like hot cakes!*

*Lateefah from Dubai, United Arab Emirates, is unaware that **Cremica's premium Danish Butter Cookies** she enjoys so much are made by an Indian company!*

*Poonam from Mumbai, India, has **Cremica's Trufills boxes** in her office drawer for sharing with her colleagues over tea!*

OUR 2020-21 PERFORMANCE MAP

Our operations are focused on high consumption segments

Our key segments of biscuits and bakery offer greater potential for growth and competitive differentiation by virtue of their high everyday visibility and multiple consumption nature.

Our operating segments are diversified by products, markets and consumer segments

BISCUITS

Sales under Mrs. Bector's Cremica in India, and exports to more than 64 countries under Mrs. Bector's Cremica and private label

MARKET POSITIONS

- **Top-2** in the premium/mid-premium biscuits category in Punjab, Himachal Pradesh, Ladakh and J&K
- **4.5%** market share in the premium/mid-premium biscuits category in North India
- **12%** (approx.) market share of total biscuit exports from India (CY2019)

FAST FACTS

- **65%** total revenue share in 2020-21
- **27.2%** revenue growth in 2020-21 to ₹ 573.6 cr

BAKERY

Sale of bakery and frozen products under English Oven, and supply to leading QSRs of the country

MARKET POSITIONS

- **5%** market share of the branded breads segment in India
- **11%** market share of semi-processed and dough-based offerings in India (QSR segment)

FAST FACTS

- **29%** total revenue share in 2020-21
- **41%** revenue growth in consumer bakery in 2020-21 to ₹ 183.2 cr

Despite the challenges of 2020-21, we achieved consistent and stable results

We made strong advances in our main performance indicators for the year on the strength of our portfolio and the dedication, efficiency and agility of our employees. Despite the challenges, we continued with our focus on operational efficiency, product R&D, innovation and skills development, taking proactive action on the following fronts:

- Liquidity and capital management to sustain the supply chain and maintain operational flexibility
- Projection of scenarios to support the decision-making process and ensure predictability in the business
- In-depth assessment of costs, expenses and capital investments to prioritise necessary capital allocation
- Focus on employee wellbeing and welfare, with operationalisation of remote working, etc.

Historical growth performance

8.4%
Revenue CAGR
(FY18–FY21)

18.2%
EBIDTA CAGR
(FY18–FY21)

26.3%
Net profit CAGR
(FY18–FY21)

2020-21 performance

Revenue
(₹ in cr)

881

FY 21 881
FY 20 762

EBIDTA
(₹ in cr)

141

FY 21 141
FY 20 93

Net profit
(₹ in cr)

72

FY 21 72
FY 20 30

EBIDTA margin
(In %)

16%

FY 21 16
FY 20 12.2

Net profit margin
(In %)

8.2%

FY 21 8.2
FY 20 4

ROCE
(In %)

22.9%

FY 21 22.9
FY 20 13.7

ROE
(In %)

16.8%

FY 21 16.8
FY 20 9.5

Debt-equity
(Times)

0.08x

FY 21 0.08
FY 20 0.23

Long term rating
CRISIL AA/- Stable

Short term rating
CRISIL A1+

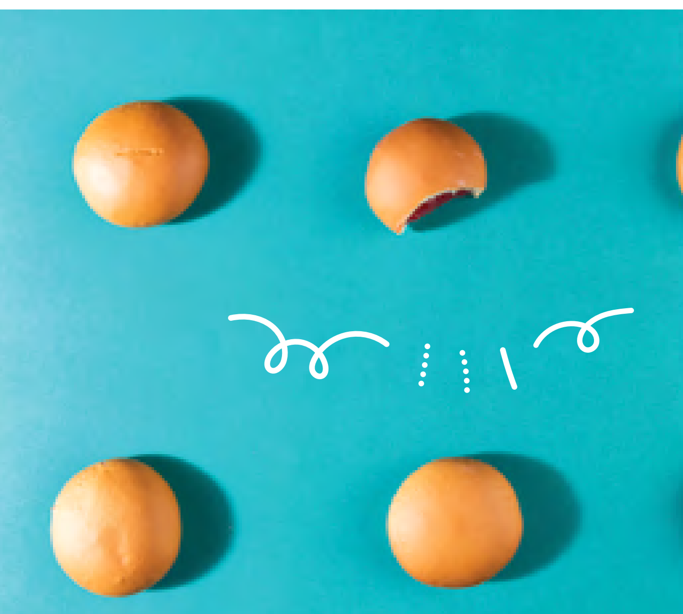
₹ 2.40
Dividend declared for FY2020-21
(24% of face value per share)

24.8 cr
Exchequer contribution
(in the form of direct taxes)

STATEMENT FROM OUR LEADERSHIP

Anoop Bector
MANAGING DIRECTOR

Our absolute and prioritised focus is to continue supplying essential products to our consumers and taking exemplary care of our people.



Dear stakeholders,

Though our first Annual Report for the year 2020-21 as a listed Company is set against the backdrop of the biggest humanitarian and economic challenge the world has faced in generations, when looking at MBFSL's journey, I am certain the year will be remembered for our strength as a team and how we conscientiously, dutifully and meticulously faced and overcame all the various complexities that came our way.

We weathered the challenges, while taking care of our people on the ground, extending our insurance health program to cover all employees, ramping up vaccination across our factories, acting in solidarity, and ensuring dependable food supply in the markets we serve.

So while the year will be recalled as one when the pandemic pushed us against the wall, it will also reflect our grit, tenacity and persistence to continue on our journey of value creation, the biggest manifestation of which was our historic stock market listing in December 2020. Harnessing the initiatives and learnings of the past, we have truly created a more solid foundation for our future.

Achieving sound performance for the year

Our performance can be ascribed to the agility of our organisation, the versatility and quality of our integrated business model and a solid brand platform that we have been able to create for our biscuit and bakery products. We have a solid footing in the premium and mid-premium biscuits category in North India, we have a growing pan-India omni-channel retail footprint in this segment, we are amongst the largest biscuits exporters out of India with an approx. 12% market share, and we have a robust retail and institutional bakery business that caters to most gateway cities of India as well as large international QSR companies, cloud kitchens, etc. Further, our thriving contract manufacturing business with Mondelez ensures optimal asset utilisation, while also enabling revenue diversification. Thus, our business is well-spread across product segments, geographies and sales, which provided strong insulation against the challenges of the pandemic.

The quality of our brands and our ability to move more products into the modern retail sector meant that we achieved strong business performance in 2020-21. We recorded 16% growth in revenues and a robust 52% and 138% growth in EBITDA and PAT, respectively, for the year. This was a factor of both increased product volumes as well as strategic price realisation enhancements. Granular performance description has been provided in the section on business segment review.

Our people capital

Our specialist human resources demonstrating passion, commitment and dedication to work enable us to meet our goals and objectives and thus they are central to stakeholder value creation.

As a means to ensure continued safety and welfare, we created awareness on Covid-appropriate behaviour and mandated the use of personal protective equipment. Delivering essential products to our consumers meant that our workforce remained engaged in productive employment, even as we embraced several measures to ensure safety and peace-of-mind, including health insurance. We also provided financial support for any health care-related emergencies and have also supported free vaccination across our establishments.

Our diverse workforce profile reflects the diversity of the markets we serve. We are committed to remain on our journey of unlocking people potential and meeting their aspirations and expectations out of us.

Investing for the future

India's long-term consumption story remains intact, given demographics, per capita income, penetration levels and shift to the organised sector. It is expected that preference for trusted brands will grow exponentially, which is a major growth factor for us. An uptick in GDP growth, especially reflected in the economic resilience to bounce-back from the pandemic, will likely percolate to consumer demand and accelerate penetration growth, premiumisation and shift to branded products in key consumer categories.

Looking at the long-term prospects of our business, it was important for us to continue with our investment plans to ensure that we protect and grow our market share, while also create enhanced value for our stakeholders. Thus, the Company focused on starting its cookies line at the Rajpura, Punjab, factory in the first quarter, with a capacity of 300 MT per month. Furthermore, we are also expanding a bakery line and bread line at our Greater Noida, Uttar Pradesh, facility which is due to start commercial operations in the third quarter of the current financial year. Moreover, as articulated in our initial public offering (IPO) objectives, capital raised of ₹ 40.54 cr will be utilised for a biscuit line at Rajpura, and commercial production of the same should start from the first quarter of the next financial year.

A heartfelt thanks

I extend a heartfelt thanks to all our shareholders and investors who believed in our story and ensured that our IPO was a resounding success.

We are aware of our role and responsibilities and consequently, we are sure of our path too. I am especially grateful for the continued support of our Board of Directors, and I am grateful to all of our employees, distribution partners, suppliers, consumers and regulatory authorities.

Thank you for becoming a part of our journey as we transform and target a bigger share of the Indian and global market in our chosen segments.

BUSINESS SEGMENTS

BISCUITS

SEE MORE PG. 14

BAKERY

SEE MORE PG. 16

CONTRACT MANUFACTURING

SEE MORE PG. 19

BISCUITS

CREMICA

Brand

Mrs. Bector's Cremica in India, and Mrs. Bector's Cremica and private label in export markets

4.5%

Market share in chosen categories in North India

12%

Market share of biscuit exports from India

Positioning

A leading brand in the premium and mid-premium biscuits category in north India, and one of the largest exporters of biscuit products from India.

Portfolio

Digestives, crackers, cookies, creams, marie, etc., in India, and Danish Cookies, crackers, creams, etc. in export markets.

Key strengths:

- State-of-the-art production assets and processes with global certifications
- Wide product portfolio straddling numerous price-points in chosen categories
- Deep omni-channel distribution network in general trade, modern trade, e-commerce and CSD in India
- Exports to 64+ countries with a robust distribution-led sales model
- Continuous focus on product innovation
- Strong private label business

Performance, 2020-21

- Successful premium/mid-premium product launches, including Truffills, Pista Almond Cookies, etc., in India
- Successful strategy re-orientation to developed and emerging markets (Asia, Australasia, MENA, North America) with a premium product portfolio

Growth potential

- Per capita biscuit consumption in India is only 2.1 kg, vs. 10 kg and 4.5 kg in the US and Singapore, respectively (Source: Federation of Biscuit Manufacturers of India)
- Expansion in modern retail in India to cater to growing consumer preference for branded products
- Large Indian diaspora in export markets of presence
- Substantial penetration potential via modern retail in international markets

Roadmap

- Focus on portfolio premiumisation with expansion of pan-Indian distribution network
- Enhance sales across strategic focus markets abroad

BAKERY

Brand

English Oven

5%

Share of branded breads category in India

11%

Share of semi-processed/ dough-based products in India (QSR segment)

Positioning

India's fastest-growing premium bakery brand with leading positions in Delhi NCR, Mumbai and Bengaluru in premium category. Also a leading company in the institutional bakery space as longstanding and preferred supplier to large QSR franchisees in India.

Portfolio

White bread, brown bread, specialty bread, Indian bread, western bread, sub bread, artisanal bread/ loaves, indulgence products, buns, muffins, garlic bread, frozen products, processed and semi-processed dough-based products.

Key strengths:

- Large portfolio of premium bakery products
- Leadership position in key metropolitan markets in premium category
- Robust customer-centric distribution model
- Ability to manage fresh and frozen products for maintaining freshness and enhancing shelf-life
- Rigorous quality and compliance standards
- Dedicated lines for buns manufacturing for QSR customers and also for other innovative products
- Among the few companies supplying processed and semi-processed dough-based offerings

Performance, 2020-21

- Achieved 230,000+ bread packet sales every day
- Focused on enhancing capacity utilisation in the wake of slowing business from QSRs
- Emphasis on cost optimisation

Growth potential

- Premium breads segment is projected to grow at 15% between FY20-FY25, vs. 9% of the value breads category during the same period
- Premium breads segment is only 16% of the ₹ 50 bn (FY20) Indian bread market; per capita income and consumption growth will drive this market
- Long-term chain QSR market potential is intact, with 23% growth projected between FY20-25 to a total market size of ₹ 524 bn

Roadmap

- Focus on portfolio premiumisation with expansion of pan-India distribution network
- Introduce new premium varieties, especially in the sweets and savories space
- Ramp up capacity utilisation of buns with demand coming back in the chain QSR segment post lockdown release

CONTRACT MANUFACTURING

Positioning

Key partner for contract manufacturing with strong in-house expertise.

Portfolio

Manufacturing premium biscuits for Mondelez, including Oreo and Chocobakes.

BUSINESS MODEL

OUR RESOURCES

FINANCIAL CAPITAL
- **₹ 33 cr** net debt
- **0.08x** leverage
- **₹ 110.3 cr** net cash from operating activities

MANUFACTURED CAPITAL
- **6** manufacturing facilities
- Modern **QA lab**

HUMAN CAPITAL
- **2,500+** employees
- **High-quality** training

INTELLECTUAL CAPITAL
- **2** strong brands
- **500+** total product SKUs

SOCIAL & RELATIONSHIP CAPITAL
- Multi-stakeholder business model

OUR OPERATIONS

INPUTS
- Raw material resources
- Wheat, palm oil, sugar, etc.

BUSINESS ACTIVITIES
- Retail consumers
- Commercial customers

PRODUCTS
- Biscuits
- Bakery products

VALUE CREATION

INVESTORS/ SHAREHOLDERS
- **₹ 72.30 cr** net profit in FY2021
- **₹ 2.40** dividend declared for FY2021

SUPPLIERS/ PARTNERS
- Growing resource procurement expenses

EMPLOYEES
- **₹ 127 cr** expensed in employee salaries and benefits

CONSUMERS
- High quality products available across a number of channels

COMMUNITY
- Impact-driven corporate citizenship programs

GOVERNMENT
- Sustainable tax contribution

OUR MAIN IMPACTS

FINANCIAL CAPITAL
- Sustainable performance
- Long-term value creation

MANUFACTURED CAPITAL
- Mutually-beneficial relationships
- Sharing best practices
- Shopfloor worker training

HUMAN CAPITAL
- Career advancement opportunities
- Learning and development
- Pride of association

INTELLECTUAL CAPITAL
- Strong distribution setup
- Impact-driven marketing/trade campaigns
- Use of technology, including digital

SOCIAL & RELATIONSHIP CAPITAL
- Transparent and trust-based relationships
- Local area development

GROWING THROUGH INNOVATION: OUR MARKETING INITIATIVES

Accelerating consumer-centric growth

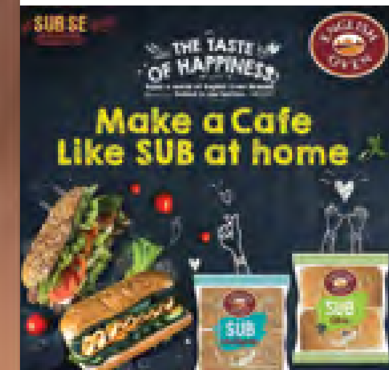
As consumer eating habits evolve, we aim to meet those needs by providing an assorted range of biscuit and bakery products for the right moment, made the right way.

Comprising a key part of our consumer-centric marketing strategy is our focus on innovation and new product development, with objectives including ongoing improvement in food safety and quality, growth through product premiumisation, superior consumer satisfaction, and enhanced operational excellence.

Furthermore, our innovation efforts focus on proactively anticipating consumer demands and adapting quickly to changing market trends. Our state-of-the-art in-house R&D and innovation centre reflects our focus on superior consumer offering, which manifests in our products and hence our marketing campaigns and initiatives.

Key marketing focus areas

- Continuing our focus on profitable growth and market share accretion
- Emphasising on e-commerce and modern retail channels
- Executing our strategy of sustaining consumer excitement by launching new products and engaging in expansion into new product pack-sizes and packaging
- Adjusting merchandising to adapt to changes in consumer buying behaviours, while targetting more profitable channels and products
- Focusing on sustained and salient BTL/localised spends in regional media to enable direct reach to our consumers across markets of our presence
- Strengthening social/digital media presence to ensure cost-effective direct engagement with our consumers



ADVANCING OUR ESG FOCUS

ENVIRONMENTAL

Our focus on environmental and climate change sets out our broader commitment to responsible environmental practices, while also enabling us to identify key areas of focus and objectives with respect to air pollution reduction, water conservation and eco-efficiency aimed at reducing our carbon/environmental footprint and contributing to a more sustainable operating environment for the benefit of all. These initiatives include:

- Maximisation of resource consumption with focus on eliminating waste
- Optimisation of transport efficiencies in our logistics
- Ongoing review and implementation of energy-saving initiatives
- Investigating alternative cleaner energy options (with lower GHG emission factors)
- Efficient water usage and effluent management
- Exploring recycling opportunities for general waste

SOCIAL

We believe our business plays a key role in driving socio-economic development and transformation by providing and creating decent work through learning and development opportunities, through enterprise and supplier development initiatives, as well as via corporate social investments. These contributions are particularly relevant in supporting the recovery of business and society post Covid-19, as the socio-economic impacts of the pandemic have had a confounding effect on the most vulnerable members of society.

The Company's response to Covid-19 is reflected in ensuring the health and safety of employees and consumers, protecting shareholder value, and supporting community impact initiatives.

- We provided full job security to our employees, focusing on productivity enhancement over manpower retrenchment
- We invested meaningfully in employee training and development
- We funded the cost of primary health insurance for our employees
- We are focused on ramping up vaccination across our manufacturing plants and facilities, covering even contractual workers, thereby contributing to enhancing people safety and breaking the virus chain

GOVERNANCE

Effective corporate governance is the cornerstone upon which the Board and the management of the Company is based. The Board embraces its responsibility for ensuring that the principles of sound corporate governance are observed and incorporated into the leadership and management of the Company. We support the principles of good corporate governance and adherence to the values of ethical leadership, corporate citizenship, stakeholder inclusivity, diversity, and sustainable development. Our key governance practices include:

- Board composition comprising an appropriate balance of knowledge, skills, experience, age, gender, diversity and independence to fulfil its role and responsibilities to stakeholders
- Board independence is evident in the fact that almost 38% of the members are independent directors
- Board comprises one female Director (independent)
- Board has constituted five committees as per regulation: Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee

FINANCIAL CAPITAL

Why is it important?

We use cash generated by our business activities as well as funding (both equity and debt) to finance business growth to support our short, medium and long-term sustainability and growth targets. Our intent is to provide our shareholders with a return on their investments through regular dividend payments. Our announcement of ₹ 2.40 as dividend payable for the year 2020-21 is evidence of our intent. Our financial capital includes cash, investments, debt and equity resources. We use a combination of these financial resources in a prudent and judicious manner in our business operations to ensure operational and financial sustainability.

6%
Debt cost (avge)

6
Reduction in debtor days (net) in FY2021

0.08x
Debt-equity ratio

138%
Net profit growth, FY2021

Revenue from operations (net)
(₹ in mn)

Navigating deftly through the Covid-19 triggered challenges, we registered a strong financial performance for the year FY2021.

Key facets of our financial capital

- Consistent EBIDTA margins, which is an outcome of our concerted efforts in revenue expansion, product premiumisation and operational cost control
- Ongoing focus on cost containment, which has been a key facet of our profitability expansion
- Strategy of installing modern machinery sourced from leading players of the world, which helps in optimising manpower costs through enhanced automation, increases yields and contributes to wastage elimination
- Long-term credit ratings of 'AA Stable' by CRISIL, which is a reaffirmation of our corporate strengths and forward outlook
- Focus on debt optimisation, which has reduced our interest cost expenses year-on-year; our average rate of interest stands at a favourable 6%, even as our focus is anchored on reducing it further

Major highlights of the year

- Achieved net debt-to-equity ratio of 0.08x, which stood at 0.23x in the previous financial year, on the back of reduction in net debt by ₹ 40 cr in FY 2020-21
- Augmented our working capital by 3 days to 30 days in FY 2020-21
- Reduced our debtor days by 6 days to 30 days in FY 2020-21, which enabled better liquidity management

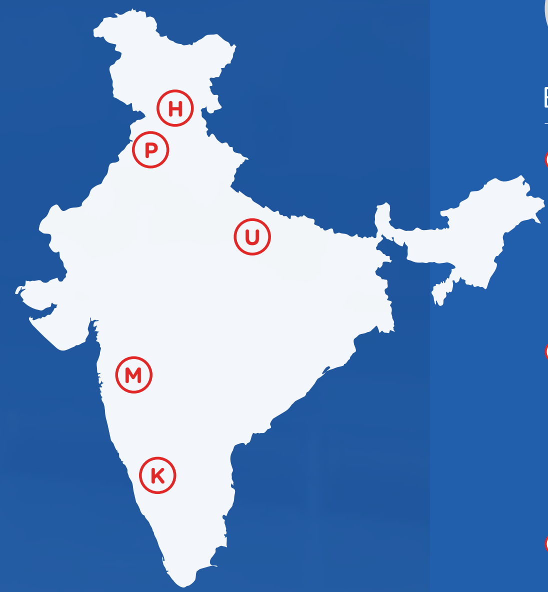
Forward outlook

- We expect to install solar panels across a larger number of our manufacturing facilities, which will help in optimisation of our electricity bill as well as reduce our carbon footprint through sustainable electrification
- We will continue with our premium product strategy that will support our margin and profitability expectations

MANUFACTURED CAPITAL

Why is it important?

Our manufactured/infrastructure capital consists of our manufacturing facilities, offices, infrastructure, technology and business processes. We invest our financial capital in these assets to expand our brands to deliver on our product-specific value propositions. Our manufactured capital comprises one of our major competitive differentiation factors as its constitutes state-of-the-art machinery, equipment and processes that have been acquired and implemented from the best in the world. This enables us to ensure automation across key processes, superior and consistent product quality, robust operational efficiencies, strong quality control and full compliance with food and other regulatory/certification standards.



The map does not purport to be the political map of India.

Our production facilities

A brief overview of our production assets located strategically across the country is provided below:

BISCUITS

Phillaur (Punjab)
- Biscuits: **27,000 MTPA**
- Contract manufacturing: **27,000 MTPA**

Rajpura (Punjab)
- Biscuits: **13,600 MTPA**
- Contract manufacturing: **2,600 MTPA**

Tahliwal (Himachal Pradesh)
- Biscuits: **34,200 MTPA**

BAKERY

Greater Noida (Uttar Pradesh)
- Breads and bakery: **66 mn packs**
- Buns: **170 MN packs**
- Frozen products: **12 mn packs**

Khopoli (Maharashtra)
- Breads and bakery: **13 mn packs**
- Buns: **171 mn packs**

Bengaluru (Karnataka)
- Breads and bakery: **8 mn packs**
- Buns: **93 mn packs**

Key competitive differentiation

- Modern technology and automated systems
- Best-in-class equipment acquired from Denmark, Germany, USA and Italy that enable production of international-quality products
- Investment of about ₹ 320 cr over the past 3 years to expand capacities, incorporating global standards

Our quality control and assurance standards are certified by:

FDA, fssai, Sedex SMETA, BRC FOOD CERTIFICATED, FSSC 22000

- Cutting-edge quality assurance lab with stringent quality control practices and manned by a specialist team of resources

Forward outlook

While emphasis on capacity utilisation ramp-up across our existing facilities will continue unabated, we are also focusing on a mix of inorganic and organic expansion across both our divisions:

- Additional biscuit line at Rajpura
- Additional bakery and bread line at Greater Noida

HUMAN CAPITAL

Why is it important?

Our employees comprise our human capital. Most of them are professionally qualified and build on our wealth of intellectual capital across our operations, distribution, finance, sales and marketing, and stakeholder relationships. We invest in building our human capital to attract and retain high-caliber employees. They are passionate and committed to quality and excellence, which is key to creating and maintaining confidence in our brand and product propositions.

2,500+
Our workforce size

We are committed to nurture our human capital through training and skills development opportunities, while fostering a collaborative work culture.

Key facets of our human resources

- Employee development is essential to fostering a culture of high performance and engagement. We engage employees' hearts and minds with creative, interactive and innovative programmes to help them succeed
- Our business success is directly attributable to our 2,500+ dedicated employees
- We are a fast-evolving organisation, with talent diversity reflected in gender, age and experience; our focus thus comprises on integrating this cultural diversity embracing a balanced approach with a view to create a rich and productive working and learning environment

Initiatives during the pandemic

- We remained transparent in communicating our forecast for the challenges ahead with a view to ensure comprehensive planning and preparedness
- We especially focused on employee safety through driving awareness on the importance of Covid-safe behaviour, while also enabling our teams to adjust to the newer ways of working – work-from-home, roster-based office presence, etc.
- We invested in employee development, which remained a key priority for the organisation during the lockdown months, helping to contribute to a sense of stability and focus
- We especially focused on employee welfare to create an employee engagement platform via which we organised a number of events to de-stress, including a stand-up comedy show, fun at work, etc.

Forward outlook

- Strengthen our talent pool and intellectual capital through senior-level professional hiring
- Commence a campus drive to induct people from the millennial and Gen-Z categories
- Sharpen KPIs (key performance indicators) and thus enhance performance-driven culture
- Enhance employee diversity through fast-tracking focus on hiring women

INTELLECTUAL CAPITAL

Why is it important?

As a consumer brand of choice in the foods space, it is critical that we have the right distribution expertise and capabilities, together with trade outreach, to ensure that we reach the last mile – our customers and consumers. Operating in the fast-moving consumer business, we have built a large, agile and flexible omni-channel distribution network that enables us to have a pan-India footprint with a specially strong presence in North India, while also facilitating our reach in even the remote corners of our target markets, hence assuring geographic diversity and de-concentration. Furthermore, we have also developed a thriving global supply chain that allows us to reach more than 64 countries and ensures the availability of a robust pipeline to launch and introduce new products, while also expanding our presence in other markets.

2L+

Direct consumer reach (biscuits)

18k+

Presence in retail outlets (bakery)

Our robust pan-India omni-channel distribution network

BISCUITS

- 15 depots
- 250+ super stockists
- 5,000+ CPOs
- 900+ distributors
- 550,000+ retail outlets
- 200,000+ direct consumer reach
- Supply to large international retail chains, distributors and buying houses, with presence in 64+ countries

BAKERY

- 210+ distributors
- 18,000+ retail outlets
- Direct sales to large pan-India QSRs, multiplex chains, cloud kitchens, etc.

Key components of our distribution network

- Tracking sales on a real-time basis through sales automation comprises a key business driver as it enables us to remain directly connected to the ground realities, ensure sales and distribution network efficiency and get access to critical information for strategic and opportunistic sales/ trade calls
- Across the general trade, our biscuit and bakery products are available across 550,000+ and 18,000+ retail outlets across India, respectively; sensing opportunity in driving brand differentiation, we are planning to enhance our footprint of Cremica Preferred Outlets (CPOs)
- In the modern trade, our products are available in all leading national supermarket/hypermarket chains of the country; such a presence gives us strong insights into consumer purchase patterns and regional preferences, which helps in onward product/packaging development
- We are one of the largest biscuit suppliers to the CSD (Canteen Stores Department) chain, with a presence in 33 locations across the country
- We have also commenced selling our products through numerous e-commerce platforms in India

Core facets of our intellectual capital

- Focused, unified and mass-media branding strategy around brand “Cremica”, which provides economies-of-scale and greater efficiency in marketing
- Emphasis on building sub-brands to create distinctiveness on shelf; success of Cremica Trufills in the premium biscuits category is a case in point, showcasing both product and packaging development
- Anchoring of the “English Oven” brand strategy on freshness, quality, range, innovation, premium value and higher shelf life has enabled us to disrupt a highly competitive market

SOCIAL & RELATIONSHIP CAPITAL

Why is it important?

We recognise the impact of our business actions on our stakeholders and thus seek to ensure that in our creation of sustainable stakeholder value, we are including their inputs in our strategy development and implementation process. Thus, our social and relationship capital incorporates our relationships with the communities in which we operate as well as other stakeholders who benefit from or impact on our work. Transparency, responsiveness and an open dialogue characterises our management of stakeholder relationships.

Our impact

As a multi-stakeholder business fostering sustainable value, we uniquely impact all our stakeholder groups.

EMPLOYEES

2,500+
Total employees (direct)

30,720
Training provided (hours)

NETWORK

1,110+
Total distributors

5.50
Store network reach (lakh+)

5,000+
Cremica Preferred Outlets

CUSTOMERS

2.41+
Sales per day (₹ in cr)

64+
Countries of exports

COMMUNITY

9.94
CSR investments in FY2021 (₹ In mn)

2%
Net profit invested in CSR (avge of 3 years)

CREATING A SOCIAL IMPACT

Images are from : Inauguration of the Government school building work and construction in progress.

As part of our focus on contributing to a thriving and progressive society, we actively engage with the communities around our operations to foster sustainable social and economic value.
Our approach to corporate citizenship is anchored on our focus on large-scale community benefit that is aligned with the needs of society, especially in the realm of education. Thus, in a major impact-driven initiative, we are engaged in the construction and upgradation of the building of a Government school in Phillaur, Punjab. We believe this action will not only contribute to promoting education, especially in the hinterlands, but also generate a positive multiplier effect across society in the days and years to come.

PROFILE OF OUR BOARD OF DIRECTORS

Mr. Subhash Agarwal
CHAIRMAN AND INDEPENDENT DIRECTOR

- Board member since February 10, 2017
- Appointment as Chairman of the Board on July 10, 2018

Mr. Subhash Agarwal holds a bachelor's degree in commerce from Shri Ram College of Commerce, Delhi University, bachelor's degree in law from Punjab University, Chandigarh, and post-graduate certificate in business administration from Scottish College of Commerce. He is a practicing advocate with experience of 60 years. He has been a member of the District Taxation Bar Association, Ludhiana, since 1995. He was felicitated with a Life Time Achievement Award and an Award of Appreciation by the District Taxation Bar Association (Direct Taxes), Ludhiana.

Specialty:
- Finance and taxation
- Business stewardship
- Human resources management

Mr. Anoop Bector
MANAGING DIRECTOR

- Board member since Company's incorporation on 19 September, 1995

Mr. Anoop Bector holds a bachelor's degree in commerce from Satish Chander Dhawan Government College, Panjab University. He also completed a training programme on international supply chain management, conducted by McDonald's in Singapore in 2001. He was awarded the 'Business Knight of Punjab' by The Economic Times in 2015. He was appointed as a non-official member of the board of management of Punjab Agricultural University, Ludhiana, on June 25, 2018.

Specialty:
- Business experience of over 25 years
- Specialist knowledge of supply chain and trade marketing
- Regulatory and stakeholder liaison
- Strong leadership skills

Mr. Ishaan Bector
WHOLE-TIME DIRECTOR

- Board member since February 15, 2016

Mr. Ishaan Bector holds a bachelor's degree in arts from Michigan State University, USA, and attended a management programme for family business from the Indian School of Business. He currently holds the position of 'Director – Breads', heading the breads and bakery business of the Company.

Specialty:
- Business experience of over 10 years
- Extensive knowledge of the bakery business
- Strong knowledge of supply chain
- Customer liaison

Mr. Suvir Bector
ADDITIONAL DIRECTOR

- Board member since April 1, 2021

Mr. Suvir Bector graduated with bachelor's degree in arts with honours in management with marketing from the University of Exeter and has a master's in global supply chain management from Cass Business School, City University, London.

Specialty:
- In-depth knowledge of international business
- New-age leadership
- Specialist knowledge in marketing and supply chain
- Customer liaison

PROFILE OF OUR BOARD OF DIRECTORS

Mr. Parveen Kumar Goel

WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER

- Board member since May 1, 2008

Mr. Parveen Kumar Goel holds a bachelor's degree in commerce from S.C. Dhawan Government College, Ludhiana, Panjab University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India.

Specialty:
- Finance and taxation
- Stakeholder liaison

Mr. Rahul Goswamy

NON-EXECUTIVE NOMINEE DIRECTOR

- Board member since December 8, 2015

Mr. Rahul Goswamy holds a bachelor's degree in commerce from the University of Bombay, Cost and Works Accountants degree, and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. Mr. Goswamy has over 28 years of experience in the banking sector with Standard Chartered Bank and Bank of America. Currently, he is a partner at Gateway Partners and is also a member of the Securities Industry Council of Singapore.

Specialty:
- Finance and banking
- Executive leadership

Mr. Rajiv Dewan

INDEPENDENT DIRECTOR

- Board member since July 10, 2018

Mr. Rajiv Dewan is a fellow member of the Institute of Chartered Accountants of India and is a practicing Chartered Accountant. He has over 25 years of experience in taxation and business restructuring consultancy. He is currently a partner in R. Dewan & Co., Chartered Accountants, Ludhiana. In the past, he has served as a director in various companies, including JSW Vallabh Tinplate Private Limited, Punjab Communications Limited, Trident Aerospace Limited, Trinetra Technologies Limited, Trident Powercom Limited, Trident Brokers Limited, Trident Research Limited and Trident Brands Limited.

Specialty:
- Finance and taxation
- Strategic business stewardship

Mrs. Pooja Luthra

INDEPENDENT DIRECTOR

- Board member since September 19, 2020

Mrs. Pooja Luthra holds a bachelor's degree in Commerce from Jesus & Mary College, Delhi University, master's degree in arts - industrial/ organisational psychology from Chicago School of Professional Psychology, and a post-graduation diploma in business administration – global business operations from Shri Ram College of Commerce, Delhi University. She has over 17 years of experience as a consulting specialist. She is also associated with Trident Limited as a director on their board.

Specialty:
- Business transformation
- Human resource development

Management Discussion and Analysis

GLOBAL ECONOMY

Over a year has gone by since the pronouncement of COVID-19 as a global pandemic. The unprecedented 'black swan' even not only precipitated a major global recession in 2020 but also resulted in devastating loss of lives and livelihoods. Countries across the world braved a multi-dimensional crisis, which included health shock, major disruption in the domestic economy triggered by harsh lockdowns, capital flow reversals and slump in consumer demand. Furthermore, contact-intensive service sectors were hit disproportionately hard.

As per the estimates of the United Nations Department of Economic and Social Affairs, the world output shrank by 4.3% in 2020. This is over 3x the impact witnessed during the global financial crisis of 2008-09. With an estimated output decline of 5.6%, the pandemic hit developed economies the hardest owing to stringent and prolonged lockdown measures that were imposed during the outbreak. The contraction was milder in developing countries compared to the developed countries, with output shrinking by 2.5%. The least developed countries saw their GDP contract by 1.3% in 2020, demonstrating greater inherent resilience to withstand external shocks.

IMF WEO (World Economic Outlook) April 2021 projects the global economy to grow by 6% in 2021, moderating to 4.4% in 2022. Growth recovery across the globe is expected to experience tailwinds as additional fiscal support in key large economies and vaccination-led growth materialises in the second half of the year. Global trade in goods and services is projected to grow 8.4% and 6.5% in 2021 and 2022 following -8.5% contraction in 2020. Because of the unprecedented policy response, both conventional and unconventional, the COVID-19-led recession is likely to leave smaller scars over the future. However, IMF's long-term outlook suggests that some emerging market economies and developing countries have been hit harder and are expected to suffer more significant losses at least over the medium-term.

INDIAN ECONOMY

Contributing 3.2% of the share of global gross domestic product (GDP), India is the 7th largest economy in terms of nominal GDP and the third largest in terms of purchasing power parity, contributing 7.8% to the global GDP.

India has maintained an average of 6-7% growth over the last few years, emerging as the fastest growing G20 economy. As per the Economic Survey 2020-21, India's real GDP and nominal GDP is expected to record a 11% and 15.4% growth, respectively, in FY2021-22. The rebound is to be led by the low base and continued normalisation in economic activities as the rollout of COVID-19 vaccines gathers traction.

To alleviate the economic stress triggered by the pandemic, the Indian Government announced a ₹20.9 lakh cr economic package (or about 10% of GDP). Of this, 1.2% of GDP consisted of direct fiscal spending, and the rest comprised:

- Loans and guarantee schemes of ₹10.4 lakh cr, or about 5% of GDP
- RBI's liquidity measures of ₹8.01 lakh cr, or about 3.8% of GDP

The guarantee schemes and liquidity measures aided growth in bank credit and enabled abundant liquidity in the financial sector, which was directed toward impacted segments like industrial and services sectors. Furthermore, various stimulatory measures adopted by the RBI ensured sufficient liquidity at all times during FY2020-21. For instance, the central bank reduced policy rates once during in May 2020 by 40 basis points (bps) to 4%. Thus, its unprecedented monetary easing and open market purchases kept interest rates at comfortable levels during the year, despite a record growth in Government borrowings.

A growth-centric and expansionary Union Budget for 2021-22 puts out hope that it will set the tone for infrastructure growth over the next few years. The fiscal deficit for 2021-22 is budgeted at 6.8% of India's GDP — though high, but way below the revised estimate of 9.5% in 2020-21. Given the unprecedented economic disruptions caused by the pandemic, such deficits are in line with actions taken globally. Thus, the resilience demonstrated by the Indian economy, coupled with a growth-centric Union Budget and the RBI maintaining an accommodative stance to sustain growth on a durable basis, will expectedly see the Indian economy grow at a faster clip than other economies once the coronavirus-related uncertainties subside.

On another positive front, with the Government's impetus on vaccination for all in the 18+ age group so far and the ramping up of the health infrastructure of the country, including the supply of essential medicines, the GDP is expected to regain momentum in FY22. Along with economic stimulus, accelerated pace of vaccination is expected to emerge as a major economic stimulus, going forward.

GOVERNMENT INITIATIVES

The Finance Ministry announced an outlay of ₹1.97 lakh cr for the Production-Linked Incentive (PLI) scheme for 13 identified sectors. The scheme, which aims to boost domestic manufacturing under the government's Atmanirbhar Bharat initiative, was introduced in March 2020 and is expected to result in a minimum production worth more than $500 billion in five years, according to the Commerce Ministry. For the foods sector, the government approved the central sector scheme under "Production Linked Incentive Scheme for Food

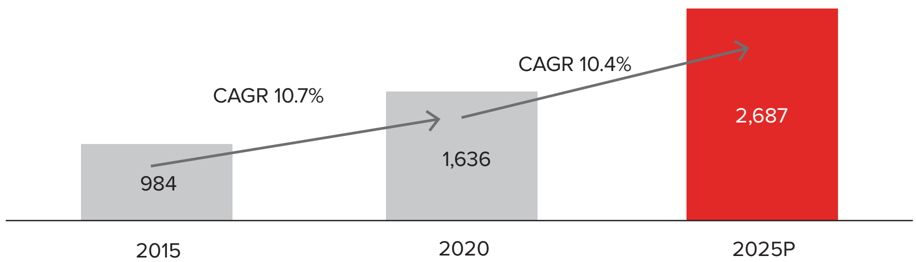
Processing Industry (PLISFPI)” to support the development of global food manufacturing champions commensurate with India’s natural resource endowment, and support Indian brands of food products in the international markets with an outlay of ₹10,900 cr. Among the broader objectives of the scheme, one of them is to support food manufacturing entities with stipulated minimum sales and willing to make minimum stipulated investment for expansion of processing capacity and branding abroad to incentivise emergence of strong Indian brands and strengthen Indian branded food products for global visibility and wider acceptance in international markets.

At MBFSL, this governmental initiative bodes well for our biscuit business as we are not only making investments to grow product capacities for domestic market, but are also focusing on enhancing and consolidating our global geographic footprint.

INDIAN PACKAGED FOODS MARKET

India’s demographic dividend, manifest in a young generation who is more aware and lives for the ‘here and now’ has proven well for demand, consumption and the overall economy. Further, availability of disposable income and shift in purchasing patterns towards organised and branded foods has also created structural demand in especially the premium and semi-premium foods category. Thus, buying power has enabled the packaged foods business to grow significantly, valued at ₹1,636 billion in 2020 and expected to grow at 10%+ CAGR over the next five years.

Indian packaged foods market (₹ billion):



Source: Technopak Report
**Packaged Food market size is exclusive of staples, edible oil and dairy.*

The COVID-19 induced lockdowns has only added to the demand for packaged foods, as more people started ordering for pantry stocking, also turning towards packaged branded products. Besides, convenience, availability and affordability have been key factors as well driving the demand. So while the other sectors in retail are expected to contract by 30-35% in FY21, the packaged food segment is expected to grow by leaps and bounds at a growth rate of nearly 14%.

Category-wise sale of packaged food (₹ billion):

Category*	2015	CAGR (2015-2020)	2020	CAGR (2020-2025)	2025
Biscuits and bakery**	282	11%	450	9%	696
Pasta and noodles	48	10%	78	10%	125
Savoury snacks	192	23%	400	15%	805
Confectionery	190	8%	286	7%	400
Sauces, dressings & condiments	106	8%	160	9%	250
Ice cream & frozen desserts	85	7%	120	7%	170
Baby food	34	6%	45	6%	62
Others	47	16%	97	13%	180
Total	984	13%	1,636	10.40%	2,687

Source: Secondary Research, Technopak Report

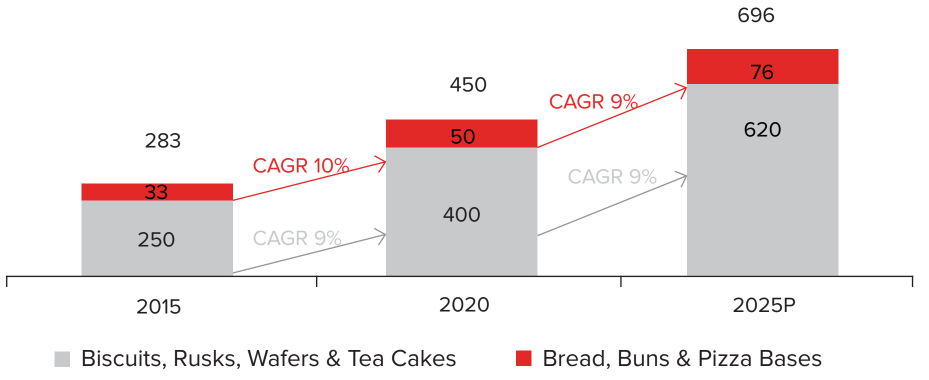
* Packaged Food market size is exclusive of staples, edible oil and dairy

** Does not include fresh artisanal cakes

INDIAN BISCUITS AND BAKERY SEGMENT OVERVIEW

The Indian biscuits and bakery segment forms an important constituent of the food and grocery basket, demonstrating rising consumer propensity towards premium quality products with which they share high trust codes. Thus, this segment is expected to grow at a 9% CAGR over the next five years, from ₹450 billion in 2020 to a projected ₹696 billion by 2025.

Indian biscuits and bakery market (₹ billion):



Source: Technopak Report
**Excludes artisanal cakes.*

Over the last two decades, the domestic biscuits industry has been expanding at a 10% CAGR. However, when it comes to per capita annual consumption of biscuits in the country, it lags with only 2.5 kg consumption, compared to 4.25 kg in South East Asian countries like Singapore, Hong Kong, Thailand and Indonesia, and more than 10 kg in the US and Western Europe. This deficit comprises a major opportunity for players to expand biscuit consumption in the country.

Similarly, the per capita annual consumption of bread in India is also less as compared to other countries – 1.4 kg consumption, vs. 46 kg in the US and 96 kg in the UK. The domestic market is dominated by small and regional players, with an estimated 75,000 small-scale bread manufacturers spread across the country. This offers good opportunity for consolidation among large players, especially with consumers leaning towards packaged branded breads as well as value-added loaves.

The Indian biscuits and bakery market is being buoyed by availability and affordability. With a better quality perception and assurance of hygiene, consumers are increasingly preferring ready-to-eat bakery products, as also value-added gourmet or indulgence products. This has made the segment witness much innovation in terms of offerings.

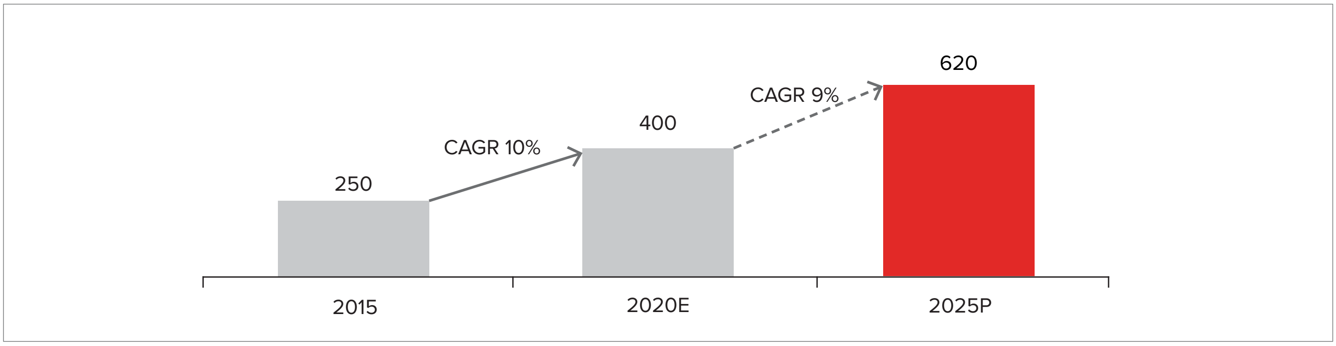
The world of modern retail, which has been a key contributor to the growth of packaged food products in the country, is characterised by supermarket chains that offer deep consumer value and convenience in terms of product range and choice, multiple payment options and even doorstep delivery. The growing clout of modern retail is characterised by the rise of e-commerce as well that has also played a fundamental role in making products accessible to a vast swath of consumers at the click of a button. Further, the pandemic has pulled forward digital adoption and hence the share of e-commerce sales in most categories is on the rise. Moreover, with consumer habits turning towards health and immunity, food products in the health space has witnessed explosive demand. Besides, rapid advancements in packaging has also contributed to building trust with consumers, while also enhancing shelf life.

Finally, with western quick service restaurants (QSRs) and cafes embedding deeper into Indian society, bakery products, including buns, muffins, etc., have gained visibility. Despite QSR sales being subdued on account of the lockdowns, etc., their focus on value meals and value-centric propositions resonate well with Indian consumers, thus ensuring structural growth opportunity for the long-term.

INDIAN BISCUIT MARKET

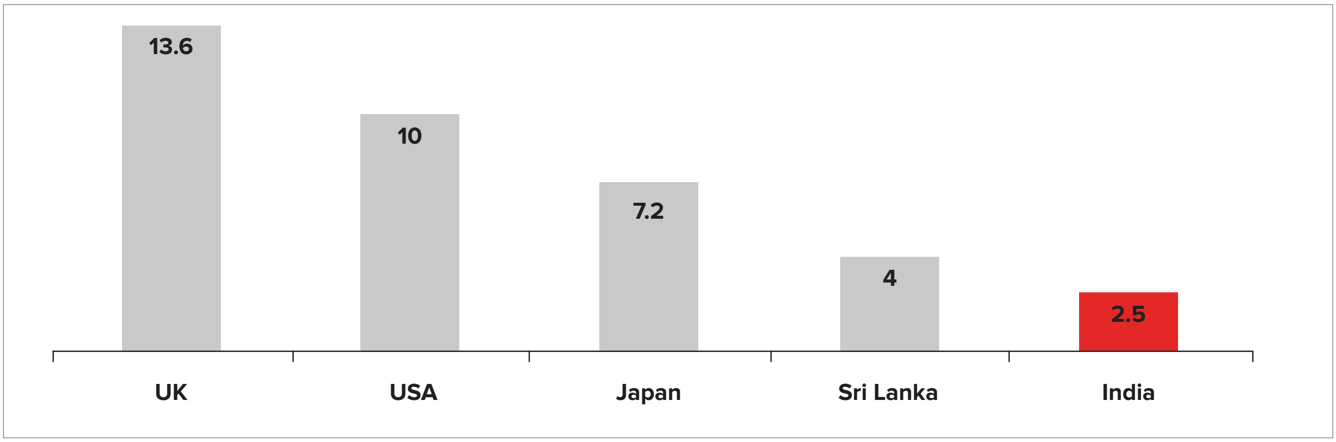
The biscuit segment in India accounts for about 5% of the global market, with market size estimated at ₹400 billion in 2020. By 2025, this share is forecast to grow by 1%, with the market expected to register a 9% CAGR every year from now till 2025, by when the industry size is estimated at ₹620 billion. It is to be noted here that the share of value-added premium products in the overall biscuits category is also expected to progressively rise on the back of rising consumer purchasing power, growing access via modern trade and consumer need to try out new and innovative products.

Indian biscuit market size (₹ billion):



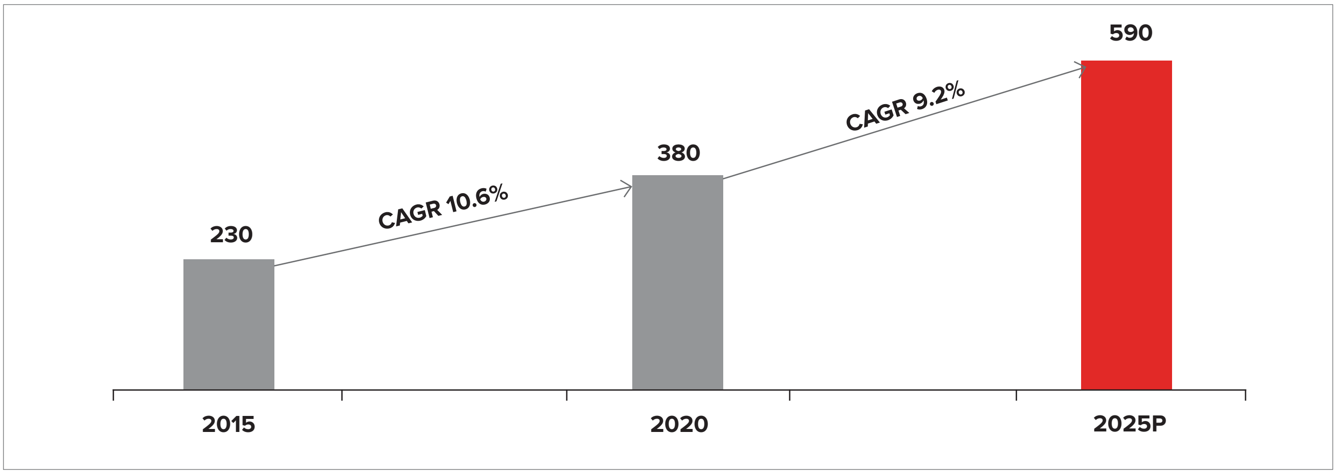
Over the last 5 years, per capita biscuit consumption in India has risen by around 16% to 2.5 kg. However, the graphic below provides a comparison with regards to consumption in other countries, which is a marker for future growth.

Per capita consumption (kg/year):



Another major growth frontier is rural markets. Yet, when it comes to penetration, non-branded/loose biscuits continue to drive overall biscuit consumption in these markets. However rising spending power and affluence, as also changing consumer preferences, is enabling the branded segment to make inroads into the hinterlands beyond the Tier-I and Tier-II cities and create trust with consumers and hence repeat consumption opportunities.

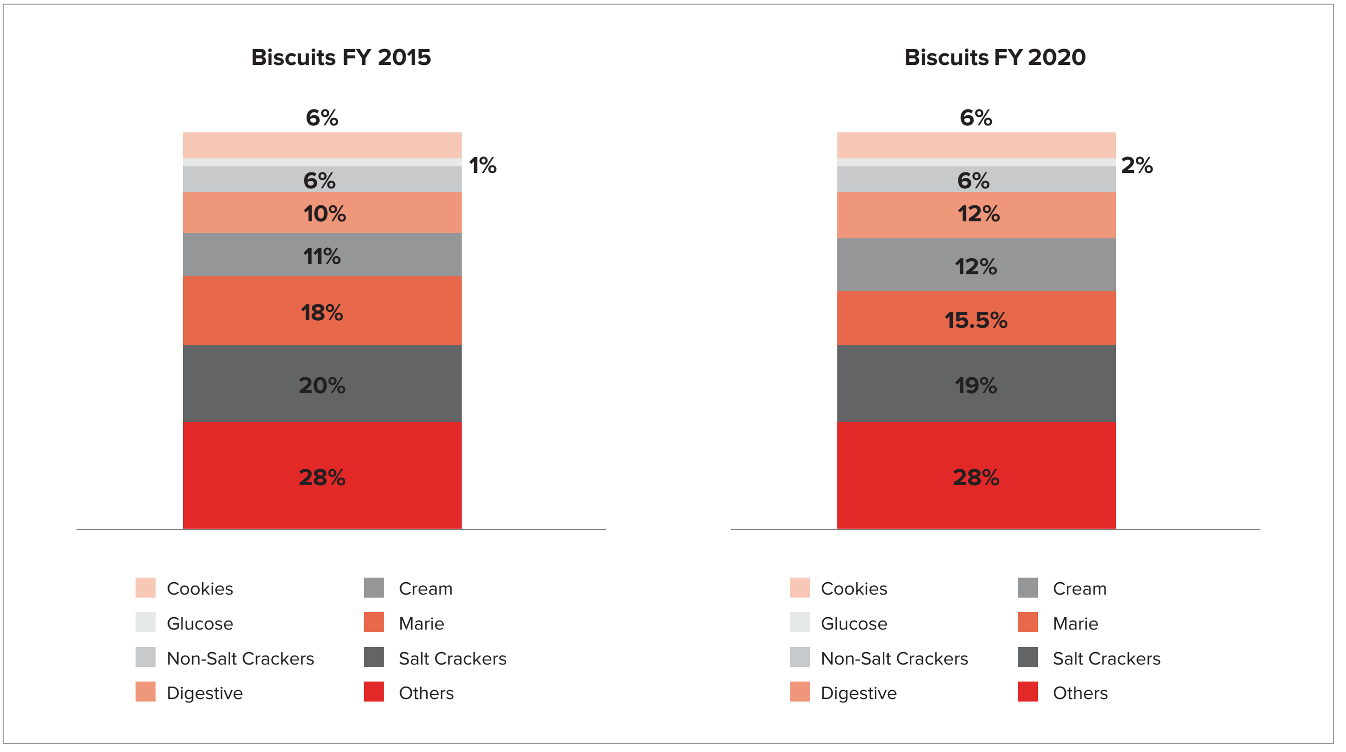
Size of branded biscuit market (₹ billion):



The Indian biscuit market is largely segregated on the basis of product type - glucose and non-glucose (NG); and price - mass, mid-premium and premium segments.

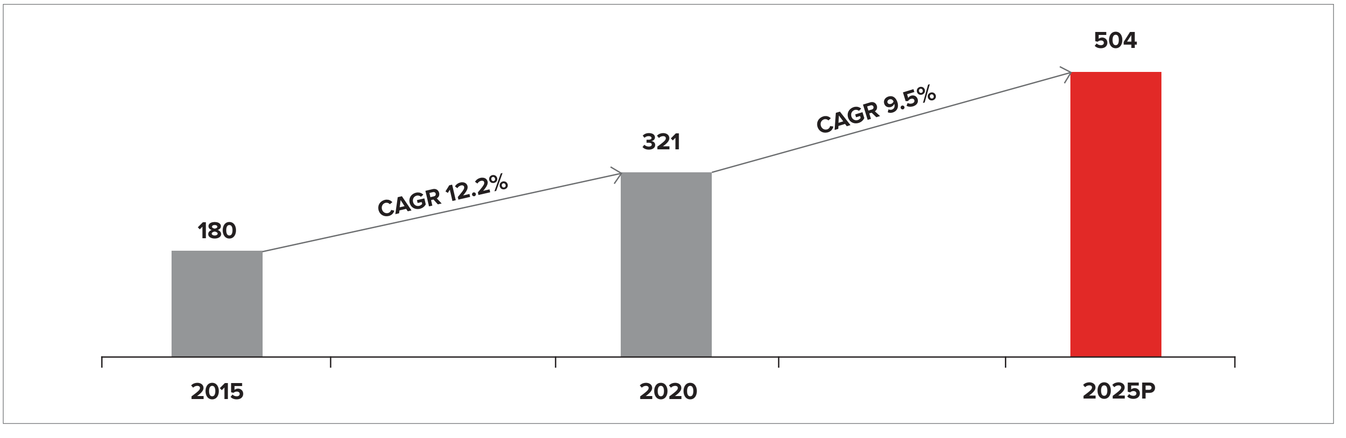
Interestingly, since 2015, the NG market growth has outpaced the glucose biscuits market growth. The NG segment mirrors mid-premium and premium price points, whereas the glucose segment mirrors mass price points, which reflects a perceptible consumption transformation towards value-added products and categories.

Market share of branded biscuit categories FY15 vs FY20 by value:



The mid-premium and premium biscuit market is estimated to be a ₹321 billion opportunity, demonstrating a 12.2% CAGR over the last five years. Rising consumer awareness and the consumer need to 'taste' new and innovative products has fuelled the segment to grow at a much higher clip against the mass category. Thus, within the overall branded biscuits market, the mid-premium and premium biscuits category is expected to grow at a 9.5% CAGR, faster than the overall branded biscuits market growth of 9.2%, to reach a substantial size of ₹504 billion by FY25.

Size of branded premium and mid-premium biscuits market (₹ billion):



Within the premium biscuits category:

- Cookies constitute the largest segment, estimated at ₹10,600 cr and capturing about 29% market share
- Cream is the second largest category with 19% market value. The segment is estimated at ₹7,200 cr
- Salty cracker category is estimated at ₹2,200 cr
- Non-salty cracker category is estimated at ₹4,400 cr value
- Digestive category is estimated at ₹650 cr

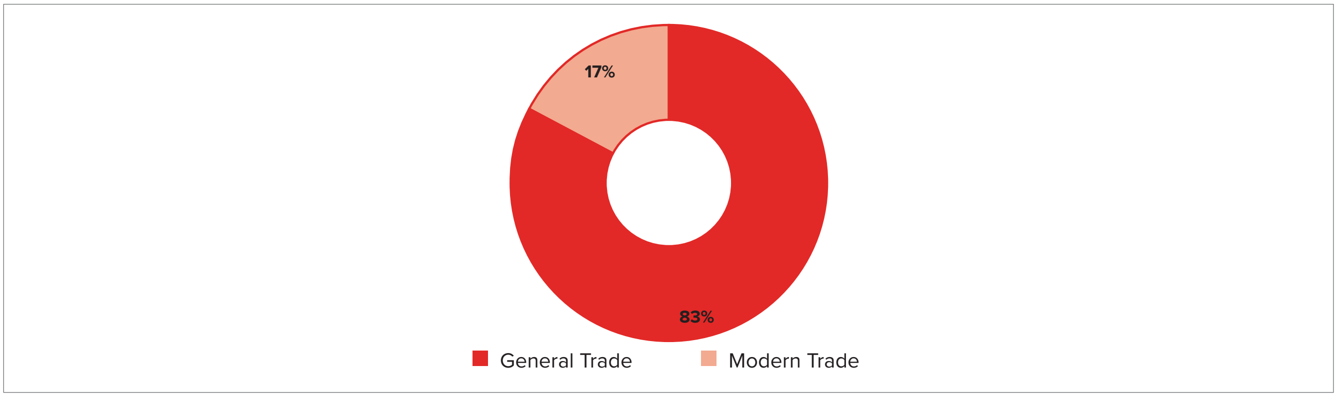
Note: The above statistics are for FY20

The Indian biscuits market is highly competitive and fragmented with the presence of a number of large organised as well smaller regional players. While outsourcing/contract manufacturing is a key aspect of this business, it has been observed that companies that have mostly in-house production have a much stronger command over the supply, manufacturing and quality chain, which translates into better cost management and protected profitability. It has also been shown that with full control over safety standards and product development cycles, such integration has also led to their growing share of exports.

On the sales front, fast uptake is key, as biscuits, like most fast-moving consumer goods, have a limited shelf life. Furthermore, sales diversification has always been a prime endeavour, as companies look to enhance their sales footprint not only geographically, but also channel-wise, comprising retail outlets, modern retail, direct reach and even CSD, or canteen stores department for the defence personnel.

Within the various sales/distribution channels, the emergence of modern retail with its "supermarket/hypermarket" scale proposition has allowed branded biscuit players to rapidly enhance their geographic footprint. Further, this channel has also enabled companies to get insights into and incorporate different and even regional consumer preferences into their product development plans. They accentuate brand visibility as well. Furthermore, direct reach is also a growing niche where companies can have the opportunity to directly engage with consumers. With such factors, the share of modern trade in branded biscuits has steadily climbed to about 17% of the total share and is expected to rise further over the coming years.

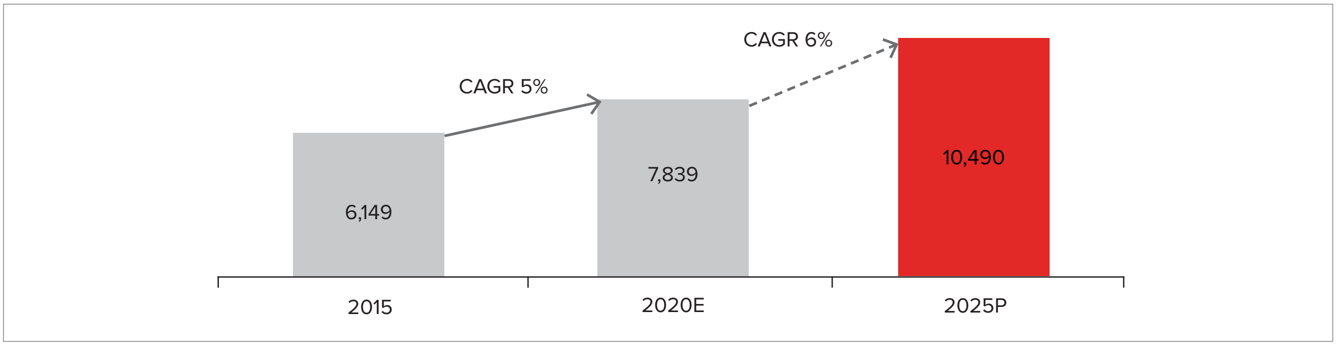
Share of retail channels for branded biscuits sales (FY20):



GLOBAL BISCUIT MARKET

The global biscuit market, with key drivers that include preference, convenience, disposable income, innovation and health considerations, is projected to grow at a 6% CAGR over the next 5 years, from an estimated market value of ₹7,839 billion in 2020.

Global biscuit market size (₹ billion):



Considering their typical growth profile and substantial under-penetration, there has been a quicker uptake of biscuits in developing markets of Asia and Africa, which has opened up export opportunities for Indian players. Between 2017-19, biscuit exports from India have grown at a 11.7% volume CAGR to about 6.42 mn tons, which reflects rising consumer acceptance to products made in India for the world, while also demonstrating cost and quality competencies of Indian manufacturers.

Global biscuits export market:

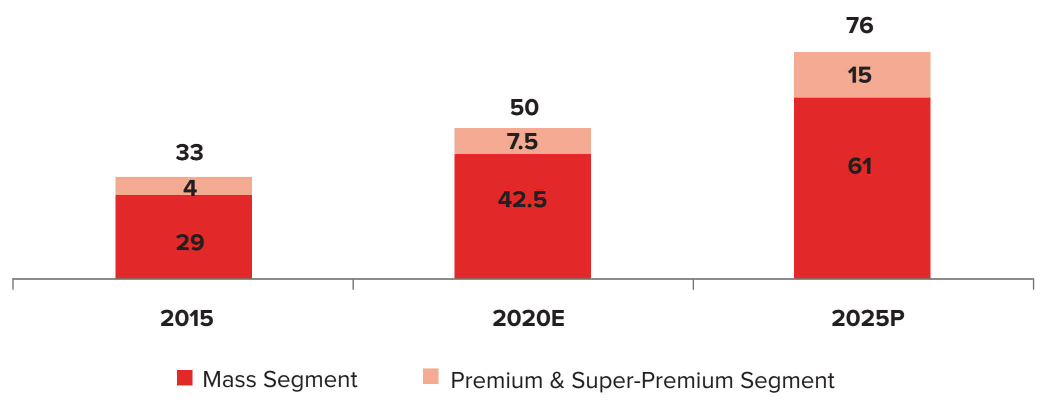
	World exports	2017	2018	2019	CAGR (2017-19)
Value	(in million USD)	8,055	8,584	8,168	0.70%
Volume	(in 000' tons)	5,141	4,862	6,420	11.70%

The US, Africa, Caribbean Islands and the Middle East North Africa (MENA) region have been the major markets for biscuit exports from India. A growing Indian diaspora in these countries has especially added to export growth in these regions, with share of exports of premium/semi-premium biscuits on a steady rise.

INDIAN BREADS AND BUNS MARKET

The bread and buns retail market in India, valued at ₹50 billion in FY20, is expected to reach a size of ₹76 billion by FY25, registering a 9% CAGR. Similar to biscuits, the breads segment has also been growing due to lifestyle changes, transforming consumption habits and increase in disposable incomes. Also, the unprecedented lockdowns announced during peak pandemic have encouraged home-bound consumers to experiment with DIY food and cuisines, thus increasing bread consumption, especially pizza bread, garlic bread, etc.

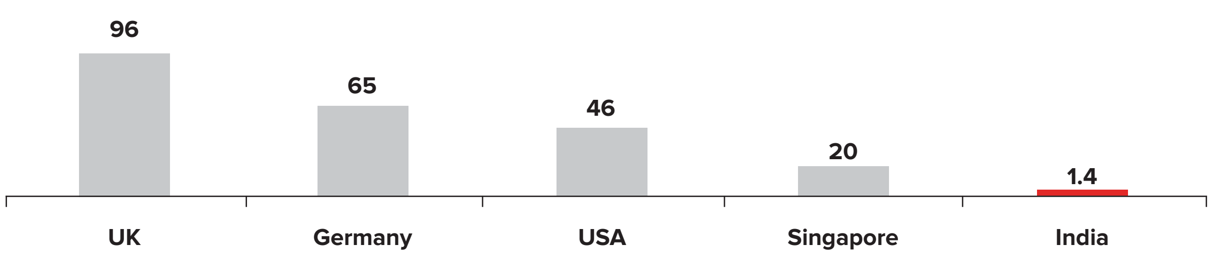
Bread and buns retail market size (₹ billion):



Source: Technopak Report, Secondary research

The per capita consumption of bread in the country has increased from 1 kg per annum in 2015 to 1.4 kg per annum in 2020; yet it is low as compared to other developed countries.

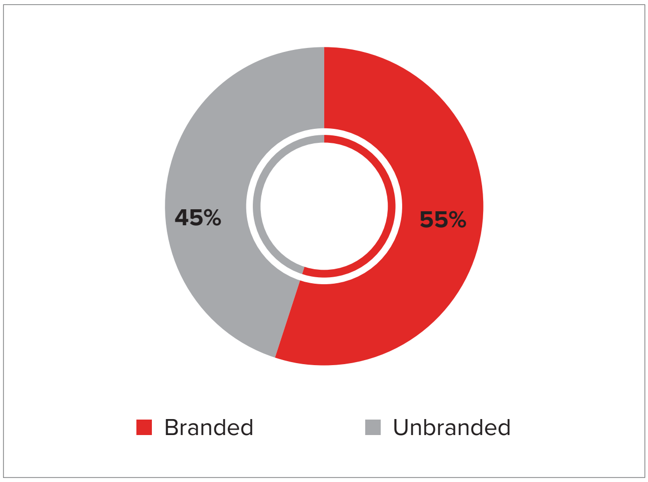
Country-wise per capita consumption of bread (kg per annum):



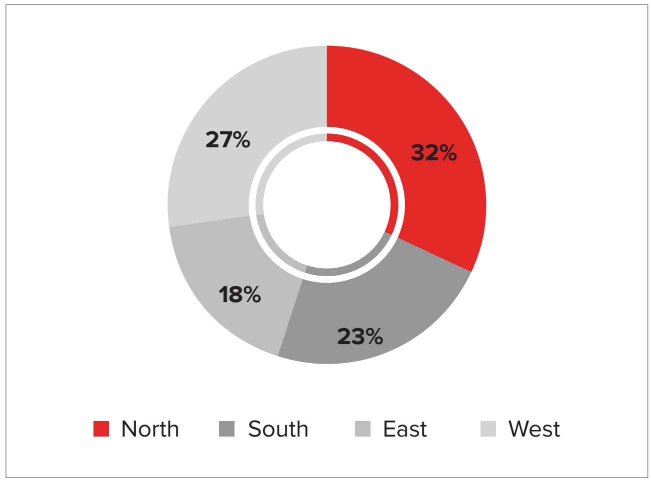
The broader market segmentation for breads is based on ingredients and price. The major mass bread segment consists of white breads made of wheat flour. Premium breads are those primarily in the health category and include wheat breads, milk and fruit breads, pizza bases, buns and value-added loaves, especially comprising the indulgence category. These are made by organised players at scale. Further, the super-premium segment consists of specialty artisanal products, like pita bread, sourdough bread, etc., which is also catching consumer fancy as international cuisines become popular in the country.

The breads industry is dominated by branded companies, which occupy around 55% of the market. The unbranded segment constitutes small hole-in-the-wall units manufacturing local products. The pandemic has severely affected such companies, while major players have consolidated their market share through their brands and distribution strength, a trend which is only likely to accelerate in the future.

Bread sales breakup (FY20):



Zonal consumption patterns (FY20):



When it comes to consumption, North and West India are the largest consumers of bread, the product being accepted as a staple breakfast item in these regions. Western India especially, with a higher number of urbanised Tier-I and Tier-II cities, has a strong premium breads market.

KEY GROWTH DRIVERS

- Shift in market towards packaged food and branded, organised players
- Upsurge of modern retail driving penetration and consumption
- Emergence of the omni-channel consumer comfortable in making both offline and online purchases
- Steady disposable incomes driving demand for premium and semi-premium products
- Evolving consumer taste to try out new and innovative products
- Rise of large consumer internet companies in the food delivery space creating new consumption avenues

BUSINESS OVERVIEW

At Mrs. Bectors Food Specialities (MBFSL), our strategic plan builds on our strong foundations, which include our unique portfolio of brands; our top-2 leadership positions in the fast-growing north Indian markets; our pan-India sales, marketing and distribution capabilities; our attractive global footprint in 64 countries; our deep product innovation-development-commercialisation expertise and our margin expansion in recent years that has allowed us to make ongoing investments in expanding our product capacities and resource capabilities. Specifically, our innovation and new product development objectives include continuous improvement in food safety and quality, growth through new products, superior consumer satisfaction and optimised production costs. Our innovation efforts are centered around anticipating consumer demand and adapting rapidly to changing market trends and consumption patterns.

As a Company that was listed on the national stock exchanges in December 2020, our focus on shareholder and stakeholder value creation has remained a key objective of our business. Today, we continue to remain on the path of long-term value creation, despite the heightened challenges triggered by the COVID-19 pandemic, with our strategy to drive sustainable growth focused on key our priorities of:

- Fast-tracking consumer-centric innovation and growth
- Pursuing continuous operational excellence
- Fostering a winning growth culture
- Ensuring the highest standards of compliance

- Focusing on our broader responsibilities through alignment with ESG principles

We believe that successful implementation of our strategic priorities and leveraging of our strong foundations will drive revenue and profitability growth, thus enabling us to continue to create long-term value for our shareholders.

Human resources and industrial relations

At MBFSL, our people are our key asset and have been instrumental in our growth journey, enabling us to realise our goals and ambitions. A growth-oriented mindset, resilience and agility are important facets of our workplace culture.

The expansion of our existing business and addition of areas in product development, etc., have created a wide range of career opportunities for employees. Providing meaningful work to employees and opportunity to grow are important building blocks of our talent management practices. We provide an inclusive and dynamic work environment where the organisation believes in its people and recognises that its success and growth are driven by them. Further, the competence and capability of our people provide a key competitive edge to build an aspirational workplace and future-fit organisation.

We have embraced several people practices that enable us to attract and retain high-quality talent in an increasingly competitive market, and nurture a work culture that is always committed to providing the best opportunities to our employees– both managerial and shopfloor– to realise their full potential. We are committed to our reputation as an inclusive and equal opportunity employer and are focused on enhancing diversity of talent with a view to specifically enable women to join the mainstream workforce.

We foster a strong orientation to learning and development. All employees, from a new recruit to a seasoned one, are provided tailored learning opportunities as per their role, level and specific focus area. Thus, we provide our employees opportunities to learn, grow and take their careers ahead and forward, while also having robust promotion policies in place.

As a future-facing organisation, we remain committed to build capabilities ahead of requirement across the organisation, team and individual levels. Related systems, processes and people management practices are formulated and deployed to help support this endeavour, even as continuous performance enhancement is encouraged and rewarded at all levels. Organisational success is attributed to celebrating talent and success by way of career and recognition, driving a culture of meritocracy and remaining contemporary and agile.

We continued to have cordial industrial relations during the year.

FINANCIAL REVIEW (CONSOLIDATED FINANCIAL PERFORMANCE)

Despite the uncertainty and challenges surrounding the Covid-19 pandemic, MBFSL was able to rapidly pivot to the changed operating conditions and hence reported an appreciable financial performance during FY 2020-21.

The Company recorded total revenue from operations of ₹8,807.3 million during FY 2020-21, as compared to ₹7,621.2 million in the corresponding previous financial year. This growth of 15.6% was achieved on account of both volume and value expansion. The Company generated earnings before interest, depreciation and tax (EBIDT) of ₹1,410.5 million during FY 2020-21, vs. ₹928.2 mn in the previous financial year on account of higher revenue growth against comparatively lower expenses growth, which attests to the efficiency of the Company's ongoing revenue acceleration and cost optimisation programs.

Profit before tax (PBT) for FY 2020-21 stood at ₹970.7 million, as compared to ₹390.2 million in the previous fiscal year. What stands out here is the finance cost, which the Company has able to lower by almost 36% to ₹95.2 million during the year. Net profit for FY 2020-21 stood at ₹722.8 million, as compared to ₹303.1 million in the previous financial year, representing a substantive 138.5% growth.

Earnings per share (EPS) stood at ₹12.5 for the year under review, as against ₹5.3 in the previous financial year.

Key financial ratios

Key financial ratios for FY2020-21 (consolidated) compared to the last financial year are given below:

Particulars	Current year ended March 2021	Previous year ended March 2020
Return on capital employed (%)	22.9%	13.7%
Return on equity (%)	16.8%	9.5%
Net debt to equity	0.08x	0.23x
Net working capital	30 days	33 days
Operating profit margin (%)	16.0%	12.2%
Net profit margin (%)	8.2%	4.0%

Internal control systems and their adequacy

MBFSL has put in place strong internal control system mechanisms and best-in-class processes commensurate with the size and scale of its operations. At the Company, there is a well-established multi-faceted team that conducts extensive audit throughout the year across all functional areas and submits reports to the management and Audit Committee about compliance with internal controls, efficiency and effectiveness of operations, and key process risks. Some of the major features of the Company's internal control systems that reflect sufficient adequacy include the following:

- Adequate articulation and documentation of policies and guidelines
- Preparation and monitoring of annual budgets through ongoing reviews
- Strong compliance management systems that amplify monitoring, surveillance and response
- Well-defined delegation of power with authority limits for approving revenue and capital expenditure, which is reviewed on a needs-based basis
- Use of enterprise resource planning (ERP) system to record data for accounting and consolidation and also for management information purposes
- Periodic engagement of outside experts to carry out independent reviews of the effectiveness of various business processes

Furthermore, internal audit is carried out in accordance with auditing standards to review design and effectiveness of internal control systems and procedures to manage risk, enable operational monitoring control and ensure compliance with relevant policies and procedures. Moreover, the Audit Committee of the Board regularly reviews execution of the audit plan, the adequacy and effectiveness of internal audit systems and monitoring of implementation of internal audit recommendations, including those relating to bolstering the Company's risk management policies and systems.

RISK MANAGEMENT

As a business with large-scale operations in India and around the world, we are subject to risk. Yet, our continuous endeavours comprise scanning our business landscape to identify and grade emerging risk pools and adopting all possible actions to limit or mitigate the negative impact of those risks or capitalise on or amplify their positive impacts. Though we are focused on fostering a risk-aware culture, we consider calculated risk as a means to achieve sustainable and fast-tracked growth, especially as a growth-oriented enterprise. Yet we embrace all possible measures to mitigate any negative fallouts, thus protecting long-term value.

Our business and financial results could be negatively impacted by the second or third waves of the COVID-19 pandemic. The severity, magnitude and duration of the current COVID-19 pandemic is uncertain and rapidly changing. In the year 2020, the pandemic significantly impacted economic activity and markets around the world. At our Company, we have been actively monitoring the outbreak of COVID-19 and its impact globally. Our highest priorities continue to be accorded to ensure the health and safety of our employees and continued production with all possible safety standards to sustain the food supply chain. We implemented enhanced protocols to provide a safe and hygienic working environment for our employees. We also operationalised remote working. During 2020-21, we experienced significant increase in demand and revenue growth in certain markets, as consumers increased their food purchases for pantry stocking and in-home consumption. Results were particularly strong in modern trade and e-commerce.

We operate in the food industry and are part of the global food supply chain, with a share of biscuits exports of around 12% from India. One chief objective during the pandemic was to maintain the availability of our products to meet the needs of our consumers. In response to rising demand patterns, we increased production and have not experienced any major material disruptions in our supply chain or operations. Furthermore, we have been able to continue to source raw material resource ingredients, packaging and transportation and deliver our products to our customers. Though commodity costs have become more volatile due to the pandemic outbreak, we closely monitor commodity prices and take actions accordingly, including ongoing value engineering initiatives.

While some of the initial impacts of the pandemic on our business moderated in the second and third quarter of 2020-21, the business and economic environment remains uncertain and additional impacts may arise that remain unanticipated. Barring any material business disruptions or other negative developments, we expect to continue to meet the demand of consumers for our products in India and around the world.

Some of the other key risks and their mitigation measures are elaborated below.

Risk identification	**Risk explanation**	**Risk mitigation**
Raw material risk	We purchase large quantities of commodities, including Wheat flour, palm and other vegetable oils, sugar, flavouring agents, etc. In addition, we also purchase and use significant quantities of packaging materials to package our products, and natural gas, fuels and electricity for our factories. An inability to efficiently manage raw material/resource procurement may dent our profitability.	• Our bulk industrial buying programs enable us to get favourable pricing terms; further, our longstanding business relationships with suppliers allow us to ensure both quality and availability. • We engage in continuous value engineering with a view to optimise raw material and energy consumption and cost. • We use PNG at our Noida and Tahliwal manufacturing facilities.
Competition risk	The biscuits and bread/bakery industry is highly competitive, with a number of global, pan-India, regional and local companies. Failure to effectively address competitive challenges could adversely affect our business.	• We continue to anchor our consumer offering on taste, variety, product choice, availability and value, which represents an effective customer-centric proposition and key differentiator in a crowded market. • In 2020-21, we focused on accelerating consumer-centric and volume-driven growth on the back of effective and targetted marketing that enabled us to sustain our competitive positions in our key north Indian markets. • Diversification represents an effective counterweight against competitive pressures as it helps build and protect profitability. Our business is diversified not only in terms of product range and product segment, but also with respect to their geographic availability. In addition to a pan-India distribution network, we also export biscuit products to 64 countries of the world.

Risk identification	Risk explanation	Risk mitigation
		• We continue to focus on operational excellence, driven by cost discipline and continuous improvement, including in areas like sales execution and building a winning culture.
Foreign exchange risk	We have a substantial export business and hence earnings in foreign currency. Any adverse movement in forex rates might have an impact on our profitability.	• We have adopted a hedging (limited) mechanism that enables protection against unfavourable exchange rate movements. • We regularly engage with our large customers abroad that also contributes to mitigating forex-related risks.
Consumer demand risk	We need to accurately predict consumption trends, consumer preferences and purchase patterns to be able to continually meet those changes.	• We are cognisant of the fact that consumer preferences for food products change continually, and have honed our expertise in predicting, identifying and interpreting the tastes, dietary habits, packaging and sales channel preferences of consumers in India and around the world. • We are continuing to expand our well-being offerings and refining the ingredient and nutrition profiles of our existing products, which represents an ongoing journey to bring the best products to our consumers. • Our omni-channel sales presence, including in modern retail, provides us the unique opportunity to closely examine evolving regional consumer preferences, enabling us to effectively respond to these changes. • We also maintain deep focus on ethical sourcing and responsible supply chain practices to ensure brand reputation and market credibility.

Risk identification	Risk explanation	Risk mitigation
Unanticipated business disruption risks	Failure to effectively prepare for and respond to unanticipated disruptions in operations can cause delays in delivering products to our consumers, leading to a negative impact on our business.	• The coronavirus pandemic represented a major unanticipated event that had an impact on all corners of the world. As a business with global operations, we could foresee the makings of a pandemic and hence took early steps to secure business continuity. • We rapidly activated business continuity planning and ensured that we sustain our operations as an essential public service with full adoption of all regulatory health and safety protocols. • We also enabled remote working wherever possible to reduce any risk of exposure, while ensuring focus on both KPIs and engagement as a means to ensure that our people were productively occupied.
Legal and regulatory compliance risk	Our activities in India and in the countries where we export our products to is subject to close government oversight. Various laws govern food production, supply and distribution, and it is imperative that we comply to these laws to ensure our status as a going concern.	• Our longstanding presence in the business is an effective indicator of our ability to comply with all statutory rules, regulations and guidelines in India and abroad. • Our manufacturing/production assets have been acquired from renowned global OEMs from Denmark, Germany and Italy, etc., which enables us to assure product quality and safety. • Our operations are endorsed by most major certification norms and standards that attest to our ability to adopt the highest standards across our operations.

Risk identification	Risk explanation	Risk mitigation
ESG risk	Our inability to comply with ESG (environmental, social, governance) norms and expectations might impede business growth.	• We strongly believe that environmental pillar of our sustainability drive is a crucial factor for advancing business growth. As a forward-looking organisation, we are working towards various initiatives to reduce emissions, achieve energy efficiency and conserve natural resources. • Equal opportunity employment and meritocracy are the fundamental aspects of focus on our employees, which rejuvenates the relationship we share with them. Moreover, talent grooming, women participation in our workforce and compliance to labour laws are some of our major strategic imperatives. • We undertake meaningful initiatives to create positive impact in and around our communities. • We have adopted best practices in governance and business conduct, implementing and monitoring initiatives and policies that enable us to sustain a culture of compliance.

CAUTIONARY STATEMENT

This report contains a number of forward-looking statements. Words and expressions, such as ‘will’, ‘may’, ‘expect’, ‘would’, ‘could’, ‘might’, ‘plan’, ‘believe’, ‘estimate’, ‘anticipate’, ‘likely’, ‘drive’, ‘objective’, ‘outlook’ and similar expressions are intended to identify our forward-looking statements, including but not limited to statements about the impact of COVID-19 on consumer demand, costs, product mix, our strategic initiatives and our future performance. These forward-looking statements involve risks and uncertainties, many of which are beyond our control, and many of these may continue to be amplified by the COVID-19 outbreak. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

DIRECTORS' REPORT

Dear members

Your Directors are pleased to present the 26th Annual Report on the affairs of the Company together with the audited statement of accounts for the year ended on 31st March, 2021.

FINANCIAL PERFORMANCE

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from Operations (Net)	8,377.7	7,077.4	8,807.3	7,621.2
Other Income	98.4	71.1	101.3	28.5
Total Income	8,476.1	7,148.5	8,908.5	7,649.8
Less: Expenses	7,050.7	6,265.7	7,396.8	6,693.1
Less: Finance Cost	95.2	150.4	95.2	150.4
Less: Depreciation and Amortization	419.4	386.4	446.8	416.5
Add: Profit before share of equity accounted investees and tax share of net profit of associates accounted for using the equity method	-	-	0.9	0.4
Profit before Taxation	910.8	346.0	970.7	390.2
Less: Tax Expense (Deferred & Current)	232.6	63.9	248.0	87.0
Profit for the year	678.2	282.1	722.8	303.1
Add: Other Comprehensive Income / (loss) for the year	-0.6	-6.0	-0.4	-6.4
Total Comprehensive Income for the year	677.6	276.1	722.4	296.7
Earnings per Share				
Basic (₹)	11.8	4.9	12.5	5.3
Diluted (₹)	11.8	4.9	12.5	5.3

PERFORMANCE REVIEW

On standalone basis, the Company reported revenue from operations of ₹8,377.7 million for the financial year 2020-21, as compared to ₹7,077.4 million in the previous financial year 2019-20, registering a growth of 18.4%. Profit before financial expenses, depreciation and taxation stood at ₹1,327.0 million, as compared to ₹811.7 million in the previous year. Net profit for the year under review amounted to ₹678.2 million, as compared to ₹282.1 million in the previous year, registering a substantive increase of 140.4% over the previous year.

On consolidated basis, the Company reported revenue from operations of ₹8,807.3 million for the financial year 2020-21, as compared to ₹7,621.2 million in the previous financial year 2019-20, registering a growth of 15.6%. Profit before financial expenses, depreciation and taxation stood at ₹1,410.5 million, as compared to ₹928.2 million in the previous year. Net profit for the year under review amounted to ₹722.8 million, as compared to ₹303.1 million in the previous year, registering an increase of 138.4%.

Impact of the Covid-19 Pandemic on the Performance

The impact of the pandemic started in March 2020, with Governments announcing lockdown across the world to control the spread of the virus. This was followed by restricted easing of services across different countries to be followed by further rounds of lockdowns (including localised lockdowns) initiated across different countries. There was also positive news in the latter half of the year with vaccine approvals and launch of vaccination drives in several countries.

We saw varied effects across our different businesses – consumer businesses and export segment were positively impacted with increase in at-home consumption and pantry loading (especially in the initial stages of the lockdown), while out-of-home and institutional business saw drastic decline in volumes.

In terms of impact on the financial performance, the Company's performance was not adversely impacted by the Covid pandemic and it recorded robust topline growth in all segments, except for the institutional bakery segment.

CREDIT RATING

The Company was accorded credit rating of CRISIL AA-/Stable (pronounced "Double A minus Stable") for long-term borrowings and CRISIL A1+ (pronounced "CRISIL A one plus") for short-term borrowings.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves.

DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹2.40/- per equity share of face value of ₹10/- each (i.e. 24%) for the year ended March 31, 2021. The dividend, subject to the approval of members at the Annual General Meeting on Thursday, August 5, 2021, will be paid within the time period stipulated under the Companies Act, 2013 (subject to deduction of tax at source).

The Dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available on the Company's website at www.cremica.in

MATERIAL CHANGES

(a) Material changes between the date of the Board report and end of financial year

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

(b) Material events during the year under review

During the year under review, the Company got listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE) on December 24, 2020, which includes fresh offer of ₹405.4 million and offer for sale (OFS) of ₹5,000 million.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

During the year under review, there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in the future.

Subsidiary Company/Associate Company

At the close of financial year 2020-21, the Company had two subsidiary companies, viz.:

i. Bakebest Foods Private Limited

ii. Mrs. Bector's English Oven Limited

The company also has one associate company viz., Cremica Agro Foods Limited as on 31st March 2021.

Pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has attached along with the financial statements, a separate statement containing the salient features of the financial statements of its subsidiary companies in the manner prescribed under the Companies Act, 2013 and rules made thereunder in form AOC-1 (Annexure- C).

Further, there have been no such companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the consolidated financial statements of the Company and its subsidiaries have been prepared in the same form and manner as mandated by Schedule III of the Companies Act, 2013 and shall be laid before the forthcoming Annual General Meeting (AGM) of the Company.

The consolidated financial statements of the Company have also been prepared in accordance with relevant accounting standards issued by the Ministry of Corporate Affairs forming part of this Annual Report. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on the Company's website at www.cremica.in

STATUTORY AUDITOR & AUDIT REPORT

M/s B S R & Co. LLP, Chartered Accountants, (firm registration No.101248W/W-100022) were appointed by the shareholders at the 24th Annual General Meeting as Statutory Auditors of the Company to hold office for the period of five years from financial year 2019-20 to 2024-25, i.e. from the conclusion of the 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting. Since their term is not expiring on the conclusion of the ensuing AGM, there is no requirement of passing any resolution at the ensuing AGM.

The Auditors have given unmodified report as there are no qualifications, observations or adverse remarks made by the Auditors in their Report for the year ended March 31, 2021.

CHANGE IN THE NATURE OF BUSINESS

As required to be reported pursuant to Section 134(3)(q) read with Rule 8(5) (ii) of Companies (Accounts) Rules, 2014, there is no change in the nature of business carried on by the Company during the financial year 2020-21.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following is the constitution of the Board of Directors and key managerial personnel as on date:

Sr. No.	Name of Director	Designation
1	Mr. Subhash Agarwal	Chairman & Independent Director
2	Mr. Anoop Bector	Managing Director
3	Mr. Parveen Kumar Goel	Chief Financial Officer and Whole-time Director
4	Mr. Ishaan Bector	Whole-time Director
5	Mr. Rahul Goswamy	Nominee Director
6	Mr. Rajiv Dewan	Independent Director
7	Mrs. Pooja Luthra*	Independent Director
8	Mr. Suvir Bector**	Additional Director
9	Mrs. Rajni Bector***	Director
10	Mr. Nem Chand Jain****	Independent Director
11	Mr. Tarun Khanna*****	Nominee Director
12	Mr. Atul Sud	Company Secretary and Compliance Officer

* Mrs. Pooja Luthra was appointed as an Independent Director and her appointment was approved by the members in their meeting held on 16.10.2020.

** Mr. Suvir Bector is an Additional Director (Whole-time Director) appointed by the Board of Directors in their meeting held on 30.03.2021. His appointment as a Whole-time Director is proposed in this AGM, subject to shareholders' approval.

*** Mrs. Rajni Bector, Director of the Company, retired from the Board w.e.f. March 31, 2021. She was appointed as the Chairperson Emeritus by the Board in its meeting held on 30.03.2021 and extended her the invitation to attend the Board meetings of the Company as a mentor to the Board.

**** Mr. Nem Chand Jain, Independent Director of the Company (whose second tenure expired on 16.03.2021) has ceased to be a Director of the Company with effect from the close of business hours on March 16, 2021.

***** Mr. Tarun Khanna, Nominee Director of the Company, has resigned from the Company with effect from February 5, 2021 due to fulfilment of terms and conditions of the shareholders agreement.

Mr. Subhash Agarwal, aged 84 years, is the Non-Executive Independent Director and Chairman of the Company. In accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect. In this regard, at the AGM of the Company held on 16th October, 2020, the members of the Company have approved his continuation of office for a period of one year. Since his term as an Independent Director is valid till 9th February, 2022, the approval of the shareholders is sought for the continuation of his Directorship on the Board of the Company even after attaining the age of 75 years.

WOMAN DIRECTOR

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Pooja Luthra has been appointed as Independent Woman Director on the Board of the Company.

MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and in terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was convened on March 31, 2021 to review the matters as laid down in the aforesaid schedule and regulations.

Deposits

(Amount in ₹)

Particulars	Amount
Deposits accepted during the year (including renewed during the year)	Nil
Deposits remained unpaid or unclaimed at the end of the year	Nil

(Amount in ₹)

Particulars	Amount
Default in repayment of deposits or payment of interest thereon during the year and if so number of such cases and the total amount involved (i) at the beginning of the year (ii) maximum during the year (iii) at the end of the year	Nil
Deposits which are not in compliance with requirement of chapter V of the Companies Act, 2013	Nil

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as Annexure – A.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. The Company has also formulated a CSR Policy, which is available on Company's website at www.cremica.in

During the year under review, in compliance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and the various notifications/circulars issued by the Ministry of Corporate Affairs, the Company has contributed an amount of approximately ₹9.94 million directly and through Mrs. Bector Foundation (the implementing agency engaged in activities specified in Schedule VII of the Companies Act, 2013). The CSR Committee had approved one long-term project of construction and renovation of building of Government School at Phillaur and this will be implemented through Mrs. Bector Foundation. The salient features of the CSR policy along with the Report on CSR activities are given in Annexure-B to this Directors' Report.

NUMBER OF MEETINGS OF THE BOARD

During the year 2020-21, the Board of Directors met 15 times on June 1, 2020, August 14, 2020, September 19, 2020, October 19, 2020, November 28, 2020, December 6, 2020, December 8, 2020, December 9, 2020, December 14, 2020, December 18, 2020, December 19, 2020, December 22, 2020, December 22, 2020, February 5, 2021 and March 30, 2021.

BOARD COMMITTEES

The Company has constituted the following committees in compliance with the Companies Act, 2013 and the Listing Regulations.

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee and
5. Risk Management Committee.

All these committees have been established as a part of the best corporate governance practices. There have been no instances where the Board has not accepted any recommendation of the aforesaid committees. The details in respect to the compositions, powers, roles, and terms of reference etc., are provided in the Corporate Governance Report forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis; and

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors furnished a declaration that they meet the criteria of Independence as provided in sub section 6 of Section 149 of the Companies Act, 2013 at the Board meeting held on 7th June, 2021.

Company's policy on Directors' Appointment and Remuneration, including Criteria for Determining Qualifications, Positive Attributes, Independence of a Director and other Matters provided under sub-section (3) of Section 178.

The Board on the recommendation of the Nomination, Remuneration framed a policy for selection and appointment of Directors, senior management and their remuneration and to develop and recommend to the Board a set of Corporate Governance Guidelines. The policy of the Company on Directors appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations is available on the Company's website at www.cremica.in

Broad terms of reference of the committee inter-alia include:

a) To identify persons who are qualified to become Directors and who may be appointed as KMPs and in senior management position in accordance with the criteria laid down, recommend to the Board for their appointment and removal;

b) To carry out evaluation of every Director's performance;

c) To identify the criteria for determining qualifications, positive attributes and independence of a director;

d) To finalise the remuneration for the Directors, key managerial personnel and senior management personnel;

e) To assess the independence of Independent Directors; and

f) Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act, 2013 and Rules thereunder and the SEBI (LODR), whenever applicable.

In this context, the committee will also review the framework and processes for motivating and rewarding performance at all levels of the organisation, will review the resulting compensation awards, and will make appropriate proposals for Board approval.

BOARD EVALUATION

The Nomination and Remuneration Committee of the Company had approved a Nomination and Remuneration policy containing the criteria for performance evaluation, which was approved and adopted by the Board of Directors. The key features of this policy have also been included in the report. The policy provides for evaluation of the Board and the individual Directors, including the Chairman of the Board and Independent Directors.

Subsequent to the year under review, the evaluation for the period 2020-21 was completed as per the policy adopted in compliance with the applicable provisions of the Act. The Board's assessment was discussed with the full Board evaluating, amongst other things, the full and common understanding of the roles and responsibilities of the Board, contribution towards development of the strategy and ensuring robust and effective risk management, understanding of the operational programmes being managed by the Company, receipt of regular inputs, receipt of reports by the Board on financial matters, budgets and operations services, timely receipt of information with supporting papers, regular monitoring and evaluation of progress towards strategic goals and operational performance, number of Board meetings, committee structures and functioning, etc.

The members concluded that the Board was operating in an effective and constructive manner.

Disclosure of Remuneration of Directors and Employees of the Company

Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as Annexure–G and forms part of this report.

EXTRACT OF THE ANNUAL RETURN IN FORM MGT-9

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Extract of the annual return in form MGT-9 is attached with this report as Annexure–F

SECRETARIAL AUDIT REPORT

M/s. Anuj Bansal & Associates, Practicing Company Secretaries, Jalandhar, has been appointed to conduct Secretarial Audit of the Company for the financial year 2020-21 pursuant to section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014. A report submitted by them is attached herewith as Annexure–E. There was no qualification, reservation or adverse remark in the Report of the Secretarial Auditor.

CORPORATE GOVERNANCE

The Company is committed to follow the best Corporate Governance practices, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same from time to time. The Company has duly complied with the Corporate Governance requirements. Further, a separate section on Corporate Governance in compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V of the said regulations, along with a certificate from a Practicing Company Secretary confirming that the Company is and has been compliant with the conditions stipulated under SEBI (Listing Obligations and

Disclosure Requirements) Regulation, 2015 forms part of the Annual Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2020-21 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. None of the transactions with related parties fall under the scope of Section 188(1) of the Act. There are no material related party transactions made by the Company during the year under review. Given that the Company does not have anything to report pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC- 2, therefore the same is not provided.

All such transactions are placed before the Audit Committee for review/approval. The Audit Committee grants omnibus approval for the transactions that are in the ordinary course of the business and repetitive in nature. All related party transactions are placed before the Audit Committee on a quarterly basis. As good governance practice, the same are also placed before the Board for seeking their approval. Disclosures, as required under Indian Accounting Standards ("IND AS") – 24, have been made in the Note No. 47 to the Consolidated Financial Statements. Further, in terms of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the transactions with person/ entity belonging to the promoter/promoter group holding 10% or more shareholding in the Company have been disclosed in the accompanying financial statements.

The policy on related party transactions, as formulated by the Board is available on the Company's website, i.e. www.cremica.in

Share Capital and Provision of Money by Company for Purchase of its own Shares by Trustees or Employees for the Benefit of Employees

During the year under review, the Company successfully launched its IPO, whose issue size was ₹5405.4 million, which includes fresh issue of ₹405.4 million and offer for sale of ₹5000 million. Pursuant to this IPO and issue of shares to eligible employees under ESOP Plan 2017, the paid-up share capital of the Company has increased to ₹58,74,65,140 divided into 5,87,46,514 equity shares of ₹10 each.

UTILISATION OF ISSUE PROCEEDS

In terms of Regulation 32 read with 18(3) read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee reviewed the statement of deviations in use of proceeds raised from the public IPO and reported to the stock exchange that there is no deviations in utilisation of funds as per the statement given below.

(Amount in ₹ million)

Particulars	Object of the issue as per Prospectus	Utilisation up to 31 March 2021	Unutilised amount as on 31 March 2021
Financing the project cost towards Rajpura extension project	405.40	-	**405.40**
Total fresh proceeds	405.40	-	**405.40**

AUDIT COMMITTEE AND VIGIL MECHANISM

As required under Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors have already constituted an Audit Committee, which, as of the close of the financial year under review, comprised of Mr. Rajiv Dewan, Independent Director as Chairman, Mr. Rahul Goswamy, Nominee Director as Member, and Mr. Subhash Agarwal, Independent Director as Member.

The committee held six meetings during the year under review.

The Board of Directors established a vigil mechanism to redress genuine concerns/grievances of employees and Directors of the Company. Mr. Seeraj Beri, Manager Accounts, has been designated as Whistle and Ethics Officer to hear the grievances of employees and Directors of the Company; however, offences of serious nature may be brought to the attention of the Chairman of the Audit Committee of the Company. The Audit Committee regularly reviews the working of the mechanism. No complaint was received during the year under review.

RISK MANAGEMENT POLICY

The Company has a Risk Management Policy with the objective to formalise the process of identification of potential risk and adopt appropriate risk mitigation measures through a risk management structure. The Risk Management Policy is a step taken by the Company towards strengthening the existing controls. The business of the Company solely depends upon agricultural produce, which is highly seasonal and this is a major element of risk which may threaten the existence of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations, is presented separately and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report ("BRR") for the year under review, as stipulated under 34(2)(f) of the SEBI Listing

Regulations to be submitted by top-1,000 listed entities based on their market capitalisation as on March 31, 2021, is presented separately and forms part of this Annual Report.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

During the year under review, the Company enjoyed cordial relations with workers and employees at all levels of the organisation. A detailed section on Human Resources/ Industrial Relations is provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company, under the provision of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 has not issued any equity shares with differential rights.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

The Company, under the provision of Section 54 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 has not issued any sweat equity shares.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

Pursuant to the resolution of our Board of Directors dated February 20, 2017 and of our shareholders dated June 30, 2017, our Company has instituted the Employee Stock Option Plan 2017 ("ESOP Plan 2017"), which became effective from June 30, 2017 and continues to be in force as on the date of this report. In accordance with ESOP Plan 2017, the maximum number of equity shares exercisable per option granted cannot exceed 1% of the total paid-up share capital of the Company, which is 572,676 equity shares.

ESOP Plan 2017 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The detailed Report on the ESOP is given the Annexure–D.

VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

The Company is complying with the provisions of Section 129 or 134 of Companies Act, 2013, so there was no voluntary revision done by the Company during financial year 2020-21.

Statement in respect of adequacy of Internal Financial Control with reference to the Financial Statements

Pursuant to Section 134 (3)(q) read with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, and ICAI guidance note on adequacy of internal financial controls with reference to financial statements – it is stated that there is adequate internal control system in the Company. The Company has an effective and reliable internal control system commensurate with the size of its operations. The internal control system provides for well-documented policies and procedures that are aligned with global standards and processes.

RECEIPT OF ANY COMMISSION/REMUNERATION BY MD / WTD OF COMPANY FROM ITS HOLDING OR SUBSIDIARY

The Company does not have any holding company. Further, no subsidiary company of the Company has paid any commission/remuneration to the Directors of the Company for the financial year 2020-21, except for Mrs. Rajni Bector.

Statement indicating the Manner in which formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees

In line with the provisions of the Companies Act, 2013, the Board evaluation was carried out through a structured evaluation process by all the Directors based on the criteria such as composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement, independence of judgement, decision-making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and the results thereof.

FRAUD REPORTING

There was no fraud reported to the Board during the year under review.

DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT

The Company is committed to maintaining a productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has also set up "Internal Complaint Committee" ('the Committee') to redress complaints received regarding sexual harassment, which has formalised a free and fair enquiry process with clear timelines. During the year under review, the Company had not received any complaint of harassment.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS (LGSI) UNDER SECTION 186

The Company has not given any loans, or provided any guarantees, or security as specified under Section 186 of the Companies Act, 2013.

INTERNAL AUDITOR

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed Grant Thornton India LLP, Gurgaon, as Internal Auditors to conduct internal audit for the financial year 2020-21.

The Company has an Internal Audit Department to test the adequacy and effectiveness of internal control systems laid down by the management and to suggest improvement in the systems. Internal Audit Reports are discussed with the management and are reviewed by the Audit Committee of the Board. Grant Thornton India LLP, Gurgaon, conducted the internal audit for the financial year 2020-21 and presented an Internal Audit Report, which did not have any objection in it.

INTERNAL FINANCIAL CONTROLS AUDIT

During the financial year 2020-21 under review, the Company's internal controls were tested by M/s Genikon Services Pvt. Ltd., and no reportable weakness in the system was observed.

COST AUDITORS

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, appointment of Cost Auditor is not applicable to our Company.

SECRETARIAL STANDARDS

The Secretarial Standards SS-1 and SS-2 relating to 'Meetings of the Board of Directors and General Meetings' issued and notified by the Institute of Company Secretaries of India as amended/replaced from time to time have been complied with by the Company during the financial year under review.

ACKNOWLEDGMENTS:

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to all associates for their valuable support, and look forward to their continued co-operation in the years to come. Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day-to-day management.

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
(DIN: 02782473)

Place: Phillaur
Date: 07.06.2021

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES 2014 ARE PROVIDED BELOW:

The Company operates in a safe and environmentally responsible manner for the long-term benefit of all stakeholders. The Company is committed to take effective measures to conserve energy and drive energy efficiency in operations.

A. CONSERVATION OF ENERGY

(i) Measures taken for conservation of energy:

a) Replacement of florescent lamps with LED lights in all plants/units has been initiated

b) Installed new baking ovens at Rajpura manufacturing facility with enhanced technology to increase fuel efficiency

c) In-house training on energy conservation to plant members and employees

d) Solar power panels installed at the Noida manufacturing facility

e) Air pressure reduction in plants to reduce compressed air energy cost

(ii) Steps taken by the Company for utilizing alternate source of energy and capital investment on energy conservation equipment

The Company is using PNG (piped natural gas) at its Noida and Tahliwal manufacturing facility as an alternate source of energy, which is more cost efficient. The Company is investing in renewable energy and is in the process of installing solar power panels at its plant in Rajpura, Phillaur, Tahliwal and Khopoli with an investment of more than ₹5 cr.

B. TECHNOLOGY ABSORPTION

The efforts made towards technology absorption:

The Company is motivated to continuously work for the process of technology development. The team undertakes specific time-bound programmes to improve technology which are tried on pilot scale/lab basis to achieve the desired results and then up-scaled at the manufacturing level. We have installed new automated cookies manufacturing line sourced from Denmark at our Rajpura biscuit plant. We have also added large blast freezing, individual quick freezing and holding freezers to increase our capacity by installing an automated bread and bun manufacturing line sourced from Germany and the United States of America, respectively, at our Greater Noida manufacturing facility. These equipment/lines are energy-efficient, highly productive and equipped with best-in-class safety features.

Benefits derived

The Company has benefited significantly in terms of better product quality, increased labour productivity and reduced operating cost. The Company has been able to build its brand as a manufacturer of world-class biscuits.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in million)

Particulars	FY 2020-2021	FY 2019-2020
Total foreign exchange received (F.O.B. value of export)	**1,936.92**	1,418.70
Total foreign exchange used	**518.43**	46.35

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
DIN: 02782473

Place: Phillaur
Date: 07.06.2021

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY

Our philosophy is to undertake socially useful programmes for welfare and sustainable development of the community at large. Our initiatives include those aimed at promoting health care, including preventive health care, for the benefit of different segments of the society and, in particular, taking care of deprived, underprivileged persons having health constraints.

Driving these initiatives, the CSR Committee of the Board has recommended to the Board a list of activities relating to cleanliness, donations to relief funds, trusts and foundations, promoting health care and eradicating poverty and malnutrition, which have been stipulated in Schedule VII of the Companies Act, 2013 and to spend at least two percent of the average net profits of the Company made during the three immediately preceding financial years.

In view of the Ministry of Company Affairs notification dated 22nd January, 2021 'MCA' vide Companies (CSR Policy) Amendment Rules, 2021, the Board approved the CSR policy as recommendations made by the Corporate Social Responsibility Committee and decided to implement CSR projects through a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, named Mrs. Bector Foundation.

2. COMPOSITION OF THE CSR COMMITTEE

Mr. Anoop Bector (Managing Director)

Mr. Subhash Agarwal (Independent Director) and

Mr. Parveen Kumar Goel (Whole-time Director)

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

Average net profit of the Company for the last three financial years is ₹496.87 million (Rupees four hundred and ninety-six million eight hundred seventy thousand only), calculated according to provisions of Section 198 of the Companies Act, 2013.

4. PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE)

Prescribed CSR expenditure is ₹9.94 million (Rupees nine million nine hundred forty thousand Only) approximately.

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

(a) Total amount spent for the financial year: ₹9.94 million

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs were undertaken	Amount outlay (budget) project or programs wise (₹ in million)	Amount spent on the projects or programs (₹ in million)	Cumulative expenditure upto the reporting period (₹ in million)	Mode of implementation - Through implementing agency
1	Supporting livelihood	Eradicating hunger and malnutrition	1. Local Area 2. State- Ludhiana, Punjab	9.94	1.90	1.90	Direct
2	Design for change	Environmental sustainability	1. Local Area 2. State- Ludhiana, Punjab		0.21	2.11	Direct
3	River recharge structure & rejuvenation of river stream	Environmental sustainability	1. Local Area 2. State- Ludhiana, Punjab		1.34	3.45	Direct
4	Solar lights in a village	Environmental sustainability	1. Others 2. Himachal Pradesh		0.21	3.66	Direct
5	Contribution for maintenance	Protection of national heritage, art, culture	1. Others 2. Jammu		0.10	3.76	Direct

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs were undertaken	Amount outlay (budget) project or programs wise (₹ in million)	Amount spent on the projects or programs (₹ in million)	Cumulative expenditure upto the reporting period (₹ in million)	Mode of implementation - Through implementing agency
6	Affordable health care	Promoting of health care	1. Local Area 2. State- Ludhiana, Punjab		0.16	3.92	Direct
7	Construction and renovation of building of Government School at Phillaur	Promotion of education	1. Local Area 2. State- Ludhiana, Punjab		6.02	9.94	Through Mrs. Bector Foundation

Mrs. Bector Foundation, society registered under Societies Registration Act, 1860, has an ongoing CSR project to construct and renovate a building of Government School at Phillaur.

7. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE THAT THE IMPLEMENTATION AND MONITORING OF CSR POLICY IS IN COMPLIANCE WITH CSR OBJECTIVES AND POLICY OF THE COMPANY

The CSR committee confirms that implementation and monitoring of CSR policy is in compliance with CSR policy of the Company framed pursuant to the provisions of the Companies Act, 2013 and rules made thereunder.

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
DIN: 02782473

Place: Phillaur
Date: 07.06.2021

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

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

Subsidiary 1

(Amount in ₹ Million)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Bakebest Foods Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of holding company, i.e. 31.03.2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Since the company is an Indian company, this clause is not applicable
4	Share capital	181.50
5	Reserves & surplus	142.33
6	Total assets	367.56
7	Total Liabilities	43.73
8	Investments	Nil
9	Turnover	429.57
10	Profit before taxation	59.02
11	Provision for taxation	15.40
12	Profit after taxation	43.62
13	Proposed Dividend	Nil
14	% of shareholding	100

Subsidiary 2

(Amount in ₹ Million)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Mrs. Bector's English Oven Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of holding company, i.e. 31.03.2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Since the company is an Indian company, this clause is not applicable
4	Share capital	0.50
5	Reserves & surplus	(0.00)
6	Total assets	0.52
7	Total Liabilities	0.02
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	0.00
11	Provision for taxation	0.00
12	Profit after taxation	0.00
13	Proposed Dividend	Nil
14	% of shareholding	100

PART "B": ASSOCIATES/JOINT VENTURES

Statement pursuant to first proviso Section 129 (3) of the Companies Act, 2013 relation to Associate Companies and Joint Ventures

(Amount in ₹ Million)

Sr. No.	Particulars	Details
1	Name of associate	Cremica Agro Foods Limited
2	Latest audited Balance Sheet date	31.03.2021
3	**Shares of Associate held by the company on the year end**	
	No. of Shares	19,37,268
	Amount of Investment in Associates	19.37
	Extend of Holding%	43.09
4	Description of how there is significant influence	Mrs. Bectors Food Specialities Limited controls more than 20% of total voting power of Cremica Agro Foods Limited
5	Reason why the associate is not consolidated	Controlling right is not there
6	Net worth attributable to shareholding as per latest audited Balance Sheet	₹39.21 million
7	Profit/Loss for the year	
	Considered in Consolidation	₹0.93 million
	Not Considered in Consolidation	-

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
DIN: 02782473

Place: Phillaur
Date: 07.06.2021

Details of Employee Stock Options under "ESOP Plan 2017" under Section 62 of the Companies Act, 2013 read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (share based Employee Benefits) Regulations, 2014

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Total options outstanding as at the beginning of the period	Nil	1,41,742	1,75,801	1,31,417
Total options granted	1,41,742	34,359	Nil	11,454
Exercise price of options in ₹ (as on the date of grant of options)	174.62	174.62	N.A	174.62
Options forfeited/ lapsed/ cancelled (cases where options cancelled due to termination of employment)	Nil	Nil	44,384	Nil
Variation of terms of options	N.A	N.A	N.A	N.A
Money realized by exercise of options (₹)	Nil	₹52,385 (300 Equity Shares)	Nil	₹1,22,23,309 (70,000 equity shares)
Total number of options outstanding as at the end of the period	1,41,742	1,75,801	1,31,417	72,871
Options exercised (since implementation of the ESOP scheme)	Nil	300	Nil	70,300
Total number of Equity Shares arising as a result of granted options without considering effect of options cancelled (including options that have been exercised)	1,41,742	34,359	Nil	11,454
Options granted to key managerial person	Mr. Parveen Kumar Goel- 17,180	Nil	Nil	Nil

The Board of Directors in their meeting held on 7th June, 2021 have allotted 50,023 (fifty thousand twenty-three) equity shares at an exercise price of ₹174.62/- each to eligible employees to whom the ESOPs were already granted and vested against their applications to exercise Employee Stock Options.

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
DIN: 02782473

Place: Phillaur
Date: 07.06.2021

ANNEXURE – E

UDIN: F005166C000373061 Date: 26.05.2021

FORM NO. MR-3

Secretarial Audit Report

(For the Financial Year Ending 31.3.2021)

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

To
The Board of Directors
Mrs. Bectors Food Specialities Limited,
Theing Road, Phillaur,
Distt. Jalandhar-144410
Punjab, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mrs. Bectors Food Specialities Limited, having registered office at Theing Road, Phillaur, Distt. Jalandhar-144410 Punjab India, Corporate Identification No. L74899PB1995PLC033417 (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period ended on 31.03.2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and their records maintained by ("The Company") for the period ended on 31.03.2021 according to the provisions of:

   I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

   II. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

   IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
      c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
      d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
      e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
      f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
      g. Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
      h. Listing Obligation and Disclosure Requirements Regulation, 2015.

   VI. As informed to us, the other laws specifically applicable to the Company have been complied with. In this regard, we have relied on the information/records produced by the Company during the course of Audit on test check and randomly basis and limited to that extent only for the following acts:

- Food Safety & Standards Act, 2006.
- The Factories Act, 1948.
- The Payment of Wages Act, 1936.
- The Minimum Wages Act, 1948.
- Employees Provident Fund and Misc. Provisions Act, 1952.
- Employers State Insurance Act, 1948.
- The Payment of Bonus Act, 1965.
- The Environment (Protection) Act, 1986.
- Electricity Act 2003.
- Payment of Gratuity Act, 1972.
- Water (Prevention & Control of Pollution) Act 1974 and rules thereunder.
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder.

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

2. We further report that the Company has, in our opinion, complied with provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

a) Maintenance of various statutory registers and documents and making necessary entries therein;

b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;

c) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;

d) Notice of Board meetings and Committee meetings of Directors;

e) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;

f) The Annual General Meeting held on 16.10.2020 including the provisions related to extension of time;

g) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;

h) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

i) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;

j) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,

k) Appointment and remuneration of Auditors and Cost Auditors;

l) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;

m) Declaration and payment of dividends;

n) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs, if any;

o) Borrowings and registration, modification and satisfaction of charges wherever applicable;

p) Investment of the Company's funds including investments and loans to others;

q) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;

r) Directors' report;

s) Related Party Transactions.

t) Contracts, common seal, registered office and publication of name of the Company; and

u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. We further report that:

    a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

    b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at reasonable gap in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

    c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

    d. The Company has obtained all necessary approvals under the various provisions of the Act; and

    e. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, Depositories Act, and any other Act against/on the Company, its Directors and Officers.

    f. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being Independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

5. The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialisation /rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

6. We further report that:

    a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;

    b. the Company has complied with the provisions of the Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

    c. the Company has complied with the provisions of the Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

7. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

8. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Anuj Bansal & Associates**
Practicing Company Secretaries

Anuj Rai Bansal
B.Com, FCS, LLB
M.No. 5166
C.P.No. 3667

Place: Jalandhar

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

'Annexure A'

(Forming Integral Part of Secretarial Audit Report for the financial year ending 31.3.2021)

To
The Members,
Mrs. Bectors Food Specialities Limited,
Theing Road, Phillaur,
Distt. Jalandhar-144410
Punjab, India

Our Secretarial Audit Report of even date is to be read along with this letter.

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

For **Anuj Bansal & Associates**
Practicing Company Secretaries

Anuj Rai Bansal
B.Com, FCS, LLB
M.No. 5166
C.P.No. 3667

Place: Jalandhar

FORM MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31stMARCH, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Details
i.	CIN	L74899PB1995PLC033417
ii.	Registration Date	15/09/1995
iii.	Name of the Company	**Mrs. Bectors Food Specialities Limited**
iv.	Category/Sub-Category of the Company	Company limited by shares / Indian Non-Government company
v.	Address of the Registered office and contact details	Theing Road, Phillaur, Distt. Jalandhar-144410, Punjab, India Contact No. (+91-1826)225418, 222826 Fax No. (+91-1826) 222915
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited**, Address: - 247 Park, C-101, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai, Maharashtra 400083 Tel.: 022 49186000, 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of Bakery Products which includes Biscuits, Breads etc.	1071	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of company	CIN/GLN	Holding/Subsidiary/ Associate	% of share held	Applicable section
1.	Bakebest Foods Private Ltd, Theing Road, Phillaur	U15412PB2009PTC033442	Subsidiary	100	2(87)(ii)
2.	Mrs. Bectors English Oven Limited, Theing Road, Phillaur	U15412PB2013PLC037958	Subsidiary	100	2(87)(ii)
3.	Cremica Agro Foods Limited, B XXX III 324 GT Road, West Ludhiana	L15146PB1989PLC009676	Associate	43.09	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF									
Anoop Bector	22848674	Nil	22848674	39.90	12550800	Nil	12550800	21.36	(18.54)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Anoop Bector HUF	2005970	Nil	2005970	3.50	2005970	Nil	2005970	3.41	(0.09)
Ishaan Bector	2386358	Nil	2386358	4.17	100	Nil	100	0.00	(4.17)
Rashmi Bector	1212596	Nil	1212596	2.12	100	Nil	100	0.00	(2.12)
Suvir Bector	1585156	Nil	1585156	2.77	100	Nil	100	0.00	(2.77)
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other (Trust)									
Anoop Bector (AB Family Trust)	Nil	Nil	Nil	Nil	5955462	Nil	5955462	10.14	10.14
Ishaan Bector (IB Family Trust)	Nil	Nil	Nil	Nil	4763111	Nil	4763111	8.11	8.11
Suvir Bector (SB Family Trust)	Nil	Nil	Nil	Nil	4763111	Nil	4763111	8.11	8.11
Sub-total(A)(1):-	30038754	Nil	30038754	52.46	30038754	Nil	30038754	51.13	(1.33)
2) Foreign									
g) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
j) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
k) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter and Promoter Group A= A1 + A2	30038754	Nil	30038754	52.46	30038754	Nil	30038754	51.13	(1.33)
B. Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	2672768	Nil	2672768	4.55	4.55
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	855419	Nil	855419	1.46	1.46
g) FIIs/ FPIs	Nil	Nil	Nil	Nil	1594668	Nil	1594668	2.71	2.71
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alternate Investment Funds	Nil	Nil	Nil	Nil	129820	Nil	129820	0.22	0.22
Sub-total(B)(1)	Nil	Nil	Nil	Nil	5252675	Nil	5252675	8.94	8.94
2. Non Institutions									
a) Bodies Corp.	Nil	Nil	Nil	Nil	236931	Nil	236931	0.40	0.40
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹2 lakh	300	Nil	300	Nil	11156025	2	11156027	18.99	18.99
(ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	457892	Nil	457892	0.79	666367	Nil	666367	1.13	0.34

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(iii) NBFCs registered with RBI	Nil	Nil	Nil	Nil	1029032	Nil	1029032	1.75	1.75
c) Others(Specify)									
Hindu Undivided Family	Nil	Nil	Nil	Nil	260623	Nil	260623	0.44	0.44
Foreign Companies	26770976	Nil	26770976	46.75	9409867	Nil	9409867	16.02	(30.73)
Non Resident Indians (Non Repat)	Nil	Nil	Nil	Nil	52879	Nil	52879	0.09	0.09
Non Resident Indians (Repat)	Nil	Nil	Nil	Nil	185835	Nil	185835	0.32	0.32
Clearing Member	Nil	Nil	Nil	Nil	457524	Nil	457524		
Sub-total(B)(2)	27229168	Nil	27229168	47.54	23455083	2	23455085	39.93	(7.61)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	27229168	Nil	27229168	47.54	28707758	2	28707760	48.87	1.33
C. Shares held by Custodian for GDRs &ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	57267922	Nil	57267922	100.00	58746512	2	58746514	100.00	Nil

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumber- red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anoop Bector	2,28,48,674	39.90	Nil	1,25,50,800	21.36	Nil	(18.54)
2	Anoop Bector HUF	20,05,970	3.50	Nil	20,05,970	3.41	Nil	(0.09)
3	Ishaan Bector	23,86,358	4.17	Nil	100	0.00	Nil	(4.17)
4	Rashmi Bector	12,12,596	2.12	Nil	100	0.00	Nil	(2.12)
5	Suvir Bector	15,85,156	2.77	Nil	100	0.00	Nil	(2.77)
6	Anoop Bector (AB Family trust)	Nil	Nil	Nil	59,55,462	10.14	Nil	10.14
7	Ishaan Bector (IB Family trust)	Nil	Nil	Nil	47,63,111	8.11	Nil	8.11
8	Suvir Bector (SB Family trust)	Nil	Nil	Nil	47,63,111	8.11	Nil	8.11
	Total	3,00,38,754	52.46	Nil	3,00,38,754	51.13	Nil	(1.33)

iii. Change in Promoters' Shareholding (please specify if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Change in Shareholding			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	No. of shares Increase/ (Decrease)	Reason	No. of shares	% of total shares of the company
1	Anoop Bector	22848674	39.90	27.11.2020	(10297874)	Transferred	12550800	21.36
2	Anoop Bector HUF	2005970	3.50	-	No change in No. of shares	N.A.	2005970	3.41
3	Ishaan Bector	2386358	4.17	27.11.2020	(2386258)	Transferred	100	0.00
4	Rashmi Bector	1212596	2.12	27.11.2020	14269188	Transferred	15481784	27.03
				04.12.2020	(15481684)	Transferred	100	0.00
5	Suvir Bector	1585156	2.77	27.11.2020	(1585056)	Transferred	100	0.00
6	Anoop Bector (AB Family trust)	Nil	Nil	04.12.2020	5955462	Transferred	5955462	10.14
7	Ishaan Bector (IB Family trust)	Nil	Nil	04.12.2020	4763111	Transferred	4763111	8.11
8	Suvir Bector (SB Family trust)	Nil	Nil	04.12.2020	4763111	Transferred	4763111	8.11
	Total	30038754	52.46				30038754	51.13

iv. **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the top-10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	GW Crown Pte Ltd.	1,11,70,496	19.51	47,12,163	8.02
2	Linus Private Limited	1,31,20,790	22.91	46,13,846	7.85
3	Franklin India Smaller Companies Fund	Nil	Nil	16,67,102	2.84
4	Bajaj Holdings & Investment Limited	Nil	Nil	10,28,032	1.75
5	Pinebridge Global Funds - Pinebridge India Equity Fund	Nil	Nil	8,32,490	1.42
6	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	Nil	Nil	5,86,131	1.00
7	SBI Life Insurance Co. Ltd	Nil	Nil	5,45,643	0.93
8	Ajay Bector	4,57,892	0.79	4,57,892	0.78
9	HDFC Life Insurance Company Limited	Nil	Nil	3,09,776	0.53
10	SBI Debt Hybrid Fund	Nil	Nil	1,95,270	0.33

v. **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Anoop Bector	2,28,48,674	39.90	1,25,50,800	21.36
2	Ishaan Bector	23,86,358	4.17	100	0.00
3	Parveen Kumar Goel	100	0.00	13,246	0.02
4	Suvir Bector	15,85,156	2.77	100	0.00

V. **Indebtedness (Amount in ₹million)**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured loans, excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1296.47	15.18	Nil	1311.65
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	2.41	Nil	Nil	2.41
Total (i+ii+iii)	**1298.88**	**15.18**	**Nil**	**1314.06**
Change in Indebtedness during the financial year				
- Addition	521.33	0.26	Nil	521.59
- Reduction	512.82	15.44	Nil	528.26
Net Change	**(8.51)**	**15.18**	**Nil**	**6.67**
Indebtedness at the end of the financial year				
i) Principal Amount	1304.98	Nil	Nil	1304.98
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	2.07	Nil	Nil	2.07
Total (i+ii+iii)	**1307.05**	**Nil**	**Nil**	**1307.05**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹ million)

Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Anoop Bector (Managing Director)	Parveen Kumar Goel (Whole-time Director & CFO)	Ishaan Bector (Whole-time Director)	
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.70	7.13	15.74	56.57
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.77	0.00	0.65	6.42
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
Stock Option	Nil	0.40	Nil	0.40
Sweat Equity	Nil	Nil	Nil	Nil
Commission - as% of profit - Others, specify...	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil
Total(A)	39.47	7.53	16.39	63.39

B. Remuneration to other Directors:

1. Independent Directors (Amount in ₹ million)

(Amount in ₹ million)

Particulars of Remuneration	Name of Director				Total Amount
	Nem Chand Jain	Rajiv Dewan	Pooja Luthra	Subhash Agarwal	
•Fee for attending board committee meetings	0.35	0.35	0.23	0.35	1.28
•Commission	Nil	Nil	Nil	Nil	Nil
•Others, Consultancy Fees	Nil	Nil	Nil	0.45	0.45
Total(1)	0.35	0.35	0.23	0.80	1.73

2. Other Non-Executive Director

(Amount in ₹ million)

Particulars of Remuneration	Name of Director	Total Amount
	Rajni Bector	
Other Non-Executive Directors		
•Fee for attending board committee meetings	Nil	Nil
•Commission	Nil	Nil
•Others, (Consultancy Fees)	Nil	Nil
Total (2)	**Nil**	**Nil**
Total (B) = (1+2)		**1.73**

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in ₹ million)

Particulars of Remuneration	Key Managerial Personnel Company Secretary Atul Sud	Total
Gross Salary		
(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	1.13	1.13
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
Stock Option	Nil	Nil
Sweat Equity	Nil	Nil
- Commission as % of profit - Others, specify...	Nil	Nil
Others, please specify	Nil	Nil
Total	1.13	1.13

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made. If any (give details)
A. Company Penalty Punishment Compounding			Nil		
B. Directors Penalty Punishment Compounding			Nil		
C. Other Officers in Default Penalty Punishment Compounding			Nil		

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
DIN: 02782473

Place: Phillaur
Date: 07.06.2021

DISCLOSURE IN THE BOARDS' REPORT UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

1. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:**

Sr. No.	Name & Designation of Director/KMP	Remuneration received in FY2020-21 (in ₹ million)	% Increase in remuneration in FY2020-21	Ratio of remuneration to each Director to median remuneration of employees
1	Anoop Bector, Managing Director	39.47	16.5%	268.5
2	Ishaan Bector, Whole-time Director	16.39	5.1%	111.5
3	Rajni Bector, Non-Executive Director*	-	-	-
4	Parveen Kumar Goel, Whole-time Director	7.53	28.7%	51.2
5	Rahul Goswamy, Nominee Director	-	-	-
6	Rajiv Dewan, Independent Director*	0.35	-	-
7	Subhash Agarwal, Chairman & Independent Director*	0.80	-	-
8	Pooja Luthra, Independent Director*	0.23	N.A.	-
9	Atul Sud, Company Secretary & Compliance Officer	1.13	24.2%	7.7

* Mrs. Rajni Bector receives consultancy fees from its subsidiary Company, Bakebest Foods Private Limited. She does not receive any remuneration from Mrs. Bectors Food Specialities Limited.

** Independent Directors are paid Director Sitting Fees

2. The median fixed remuneration of employees of the Company during the financial year was at ₹1.47 lakhs per annum.
3. In the financial year, there was an increase of 8.92% in the median fixed remuneration of employees.
4. There were 2,517 permanent employees on the rolls of Company as on March 31, 2021.
5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2020-21 was 8.54%, whereas increase in the managerial remuneration for the same financial year was 6.99%.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, key managerial personnel and other employees.

Statement of particulars of employees under Section 197 of the Companies act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31.03.2021

A. Details of the Directors employed throughout the year, who were in receipt of remuneration which in aggregate was not less that ₹102 lakhs per annum as follows:

Sr. No.	Name & Designation	Age in years	Qualification and experience	Nature of employment (contractual otherwise)	Date of commencement of employment	Remuneration received (in ₹ million)	Last employment	Whether Director, relative of any Director/ Manager
1	Anoop Bector, Managing Director	58	B Com and has experience of more than 30 years	Permanent	September 19, 1995	39.47	MD of Cremica Agro Foods Limited	Yes
2	Ishaan Bector, Whole-time Director	32	Bachelor's degree in Arts from Michigan State University and has an experience of 9 years	Permanent	July 1, 2011	16.39	N.A.	Yes

B. Statement showing names of top-10 employees in terms of remuneration drawn during the year is as follows:

Sr. No.	Name & Designation	Age in years	Qualification and experience	Nature of employment (contractual otherwise)	Date of commencement of employment	Remuneration received (in ₹ million)	Last employment	Whether Director, relative of any Director/ Manager
1	Anoop Bector, Managing Director	58	B Com and has an experience of more than 30 years	Permanent	September 19, 1995	39.47	MD of Cremica Agro Foods Limited	Yes
2	Ishaan Bector, Whole-time Director	32	Bachelor's degree in Arts from Michigan State University and has an experience of 9 years	Permanent	July 1, 2011	16.39	N.A.	Yes
3	Manoj Verma National Sales Director (Domestic Sales)	52	B.A. and Diploma in Marketing Management and has experience of 26 years	Permanent	September 1, 2016	10.63	Mondelez India Foods Private Limited	No
4	Suvir Bector, Additional Director	26	Bachelor's degree in arts with honours in management with marketing from University of Exeter and has a Master's in global supply chain management from Cass Business School, City University in London and has an experience of 2 years	Permanent	July 24, 2018	9.39	N.A.	Yes
5	Rashmi Bector, Vice President (Business Development)	55	Bachelor's degree in Arts and has an experience of 21 years	Permanent	August 1, 1999	8.77	N.A.	Yes
6	Parveen Kumar Goel, Whole-time Director	58	B Com, CA	Permanent	April 02, 2007	7.53	Eveline International	Yes
7	Neeraj Aggarwal, VP Biscuits & Projects	51	Bachelor's degree in electrical engineering from Thapar Institute of Engineering and Technology in Patiala, Punjab	Permanent	November 19, 2012	6.79	Britannia Industries Limited	No
8	Gurpreet Singh Amrit, Chief Marketing Officer	47	Post graduate diploma in management from Symbiosis, Pune. He has over 19 years of experience in the consumer goods industry	Permanent	January 20, 2020	6.45	Dabur India Limited, Wrigley India (P) Limited, Bajaj Corp Limited, and Emami Limited	No
9	Rajeev Dubey, Director, Breads Sales	51	B Com from University of Delhi	Permanent	August 23, 2018	6.13	Harvest Gold	No
10	Asim Bhaumik, Group Head of Quality, Technical, Research and Development	60	Bachelor's degree in science (chemistry) from the University of Calcutta and a Master's degree in chemistry from University of Calcutta. He also holds a Master of philosophy degree in environmental science from University of Calcutta	Permanent	May 11, 2015	5.48	Dabur India Limited and Britannia Industries Limited	No

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
DIN: 02782473

Place: Phillaur
Date: 07.06.2021

CORPORATE GOVERNANCE REPORT

To comply with Regulation 34, read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'], the report containing the details of Corporate Governance of Mrs. Bectors Food Specialities Limited ('the Company'/'MBFSL') is as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The corporate governance philosophy of the Company is driven by the interest of stakeholders, focus on fairness and transparency, and the business needs of the organization. Corporate governance is quintessential for the enhancement of shareholder value, protection of interest of public shareholders, and growth, profitability and stability of the business. Aligning itself to this philosophy, the Company has placed corporate governance on a high priority.

Mrs. Bectors Food Specialities Limited ("the Company") is committed towards achieving the highest standards of corporate governance by maintaining the right balance between economic, social, individual and community goals. A good governance process provides transparency of corporate policies and the decision-making process, and also strengthens internal systems and helps in building good relations with all stakeholders.

The highlights of the Company's corporate governance practices are:

- The Company has always conducted itself by adhering to the core values of transparency, accountability and integrity in all its business practices and management.
- The Company believes that a business can be successful if it is ethical and meets the aspirations of all its stakeholders, which include shareholders, employees, suppliers, customers, investors, communities and policy-makers. Responsible corporate conduct is integral in the way the Company does its business.
- The Company focuses on embracing best corporate practices in every facet of its operations for maximising shareholders' value.
- The Company ensures compliance with all applicable laws and regulations.
- The Company believes in carrying out its operations in a sustainable manner with optimal utilisation of natural resources.
- The Company engages itself in a credible and transparent manner with all its stakeholders to ensure that its long-term strategies and vision are communicated well.

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

1. BOARD OF DIRECTORS

The Board of Directors and its committees provide leadership and guidance to the Company's management while discharging its fiduciary responsibilities, directs as well as reviews business objectives and management strategic plans, and monitors the performance of the Company. The Company has a professional Board with right mix of knowledge, skills and expertise in diverse areas with an optimum combination of Executive and Non-Executive Directors, including Independent Directors and Women Directors. Besides having financial literacy, vast experience, leadership qualities and the ability to think strategically, the Directors are committed to ensure the highest standards of corporate governance. During the year, Mrs. Pooja Luthra was appointed as Non-Executive Independent Director of the Company for a term of two (2) years w.e.f. 19.09.2020. The Company has a Non-Executive Chairman who is also an Independent Director of the Company and is not related to the Wholetime Director. The composition of the Board and category of Directors as on 31.03.2021 is as follows:

Category	Name of Director
Managing Director	Mr. Anoop Bector
Wholetime Directors	Mr. Ishaan Bector and Mr. Parveen Kumar Goel

Category	Name of Director
Independent Directors	Mr. Subhash Agarwal Mr. Rajiv Dewan Mrs. Pooja Luthra
Nominee Director	Mr. Rahul Goswamy
Non-Executive Non-Independent Director	Mrs. Rajni Bector

Relationship inter-se: Except Mr. Anoop Bector, Mr. Ishaan Bector and Mrs. Rajni Bector, none of the Directors of the Company are related to any other Director of the Company. Mrs. Rajni Bector resigned from the Board w.e.f. 31st March 2021 and was appointed as Chairman Emeritus w.e.f. April 1, 2021, and Mr. Suvir Bector has been appointed as Additional Director w.e.f. 1st April, 2021.

KEY FUNCTIONS OF THE BOARD

The Board performs various statutory and other functions for managing the affairs of the Company. The key functions include, reviewing and guiding corporate strategy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; overseeing major capital expenditures; ensuring integrity of the Company's accounting and financial reporting system, financial and operating controls, compliance with applicable laws; appointment and removal of Directors and Key Managerial Personnel; and evaluating the performance of the Board, its committees and individual Directors.

BOARD MEETINGS

The Board of Directors meets at least once in every quarter and also as and when required. During the year under review, the Board met on 15 (fifteen) occasions, i.e., on June 1, 2020, August 14, 2020, September 19, 2020, October 19, 2020, November 28, 2020, December 6, 2020, December 8, 2020, December 9, 2020, December 14, 2020, December 18, 2020, December 19, 2020, December 22, 2020, December 22, 2020, February 5, 2021 and March 30, 2021.

The maximum gap between any two Board meetings was less than one hundred and twenty days.

The Board/committee meetings are pre-scheduled and for that notice and agenda papers are circulated to the Directors/ committee members well in advance before the respective meetings of the Board/committees to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of business exigencies or urgency, meetings are convened at a shorter notice with appropriate approvals or resolutions passed by way of circulation, as permitted by law, which are noted in the subsequent meeting. The applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also complied with by the Company. Due to COVID-19, Board/committee meetings were held through VC.

A. The following table describes the composition and category of each Director on the Board, their status, their attendance at the Board meetings and the last Annual General Meeting, together with the details of number of other directorships and committee membership(s)/chairmanship(s) of each Director as at 31.03.2021:

Name of the Director	Category of Director	No. of Board meetings attended	Attendance at AGM held on 16.10.2020	No. of Directorship in listed entities, including this listed entity	No. of membership in audit/ stakeholders' committee, including this listed entity	No. of post of chairperson in audit/ stakeholders' committee held in listed entities, including this listed entity	Name of other listed entities in which they hold Directorship
Mr. Subhash Agarwal	Non-Executive - Independent Director, Chairperson	14	Yes	1	1	Nil	NA
Mr. Anoop Bector	Executive Director, MD	15	Yes	1	1	Nil	NA
Mr. Ishaan Bector	Executive Director	15	No	1	Nil	Nil	NA
Mr. Parveen Kumar Goel	Executive Director	15	Yes	1	Nil	Nil	NA
Mrs. Rajni Bector*	Non-Executive - Non Independent Director	3	No	1	Nil	Nil	NA
Mr. Rahul Goswamy	Non-Executive - Nominee Director	15	Yes	1	2	Nil	NA

Name of the Director	Category of Director	No. of Board meetings attended	Attendance at AGM held on 16.10.2020	No. of Directorship in listed entities, including this listed entity	No. of membership in audit/ stakeholders' committee, including this listed entity	No. of post of chairperson in audit/ stakeholders' committee held in listed entities, including this listed entity	Name of other listed entities in which they hold Directorship
Mr. Rajiv Dewan	Non-Executive - Independent Director	14	Yes	2	4	4	Trident Limited
Mrs. Pooja Luthra	Non-Executive - Independent Director	9	No	2	Nil	Nil	Trident Limited
Mr. Tarun Khanna*	Non-Executive - Nominee Director	13	Yes	1	Nil	Nil	NA
Mr. Nem Chand Jain*	Non-Executive Independent Director	14	Yes	2	Nil	Nil	Cremica Agro Foods Limited

*Mr. Tarun Khanna and Mr. Nem Chand Jain are no longer Directors of the Company as on 31.03.3021. Mrs. Rajni Bector resigned from the Board w.e.f. 31st March 2021 and was appointed as Chairman Emeritus w.e.f. April 1, 2021 and Mr. Suvir Bector has joined the Company as Additional Wholetime Director of the Company w.e.f. 01.04.2021.

B. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31.03.2021:

Details of the Directors' shareholding in the Company is given as follows:

Name of Directors	No. of shares
Mr. Anoop Bector	1,25,50,800
Mr. Ishaan Bector	100
Mr. Parveen Kumar Goel	13,246

C. SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

The Directors on the Board are eminent industrialists/professionals and have expertise in their respective functional areas, bringing with them the reputation of independent judgement and experience which adds value to the Company's business. Directors are inducted on the Board on the basis of their possession of skills identified by the Board and their special skills with regards to the industries/fields they come from.

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience of the Directors, thus bringing in diversity to the Board's perspectives.

The core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively:

i) Knowledge – Understand the Company's business, policies and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.

ii) Behavioural skills – Attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders.

iii) Strategy and planning – Experience in developing strategies, critically accessing strategic opportunities and threats for growth of the business in a sustainable manner, assisting the management in taking decisions in consideration of the diverse and varied business and also uncertain environment.

iv) Financial/technical/professional skills and specialised knowledge to assist the ongoing aspects of the business.

v) Governance - Experience in developing governance framework, serving the best interests of all stakeholders, driving Board and management accountability, building long-term effective stakeholder engagement and sustaining corporate ethics and values.

In terms of the requirement of the Listing Regulations, the Board has identified the core skills/expertise/competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

Skills /Expertise/ Competencies	Subhash Agarwal	Anoop Bector	Ishaan Bector	Parveen Kumar Goel	Rahul Goswamy	Rajiv Dewan	Pooja Luthra
Knowledge	√	√	√	√	√	√	√
Behavioural skills	√	√	√	√	√	√	√
Strategy and planning	√	√	√	√	√	√	√
Financial/technical/ professional skills and specialised knowledge to assist the ongoing aspects of the business	√	√	√	√	√	√	√
Governance	√	√	√	√	√	√	√

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board, as above, and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regards to the industries/fields from where they come.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law.

D. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, mandates the Independent Directors of the Company to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of the management. The separate Independent Directors' meeting was scheduled and conducted via video conferencing on March 31st, 2021. The meeting was chaired by Mr. Subhash Agarwal, Independent Director, wherein the Independent Directors, inter alia, discussed the following:

i. Reviewed the performance of Non-Independent Directors and the Board as a whole;

ii. Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at this meeting through tele-conferencing. The outcome of the meeting was apprised to the Chairman of the Company.

E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company on appointment of an Independent Director, issues a formal Letter of Appointment setting out the terms of appointment, duties and responsibilities. The Company, in terms of Regulation 25(7) of Listing Regulations, has also put in place a system to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates, business model of the Company, and ongoing events relating to the Company. It aims to provide the Independent Director/s an insight into the Company's functioning and to help them to understand its business in depth so as to enable them to contribute significantly during the deliberations at the Board and committee meetings. The details of familiarisation programme imparted to Independent Directors during the financial year 2020-21 are available at the Company's website and can be accessed at www.cremica.in

F. RESIGNATION OF INDEPENDENT DIRECTOR

None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons other than those provided by them is not applicable.

G. DIRECTORS' DIRECTORSHIPS/COMMITTEE MEMBERSHIPS

The number of Directorships and committee positions held by the Directors are in conformity with the limits laid down in the Companies Act, 2013 and Listing Regulations, as on 31st March, 2021. As per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the Directors were a member in more than ten committees, nor a chairman in more than five committees across all companies

Further, as per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Directors in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

H. BOARD MEETING PROCEDURES

The Board is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The required information, as enumerated in Part A of Schedule II of the Listing Regulations, is regularly made available to the Board of Directors for discussion and consideration at Board meetings.

I. INFORMATION SUPPLIED TO THE BOARD

Regular presentations are made to the Board of Directors covering business operations, finance, sales, accounts, marketing, compliances and other important business issues. The annual operating and capital budget(s) are approved by the Board of Directors. The Board spends considerable time in reviewing the actual performance of the Company vis à- vis the approved budget.

2. COMMITTEES OF THE BOARD:

The Board of Directors has constituted various Committees of the Board in accordance with the provisions of Companies Act, 2013 and the Listing Regulations to take informed decisions in the best interests of the Company. These committees monitor the activities falling within their terms of reference. These committees play an important role in the overall management of day-to-day affairs and governance of the Company. Details on the role and composition of these committees, including the no. of meetings held during the financial year and attendance at meetings are provided below:

(A) Audit Committee

The Audit Committee comprises of 3 (three) members (all are Non-Executive Directors) and majority being an Independent Director.

During the year under review, the Audit Committee met on 6 (six) occasions, viz. June 1, 2020, August 14, 2020, September 19, 2020, November 28, 2020, February 05, 2021 and March 30, 2021 to deliberate on various matters. Not more than 120 days lapsed between any two consecutive meetings of the Audit Committee during the year. The necessary quorum was present at all the meetings.

The composition of the Audit Committee as at 31.03.2021 and particulars of meetings attended by the members during the financial year 2020-21 are given hereunder:

Name of Committee members	Category	No. of meetings attended
Mr. Rajiv Dewan	Non-Executive - Independent Director, Chairperson	5
Mr. Subhash Agarwal	Non-Executive - Independent Director, Member	6
Mr. Rahul Goswamy	Non-Executive - Nominee Director, Member	6

SCOPE AND TERMS OF REFERENCE:

The role of the Audit Committee shall include the following:

1) Oversight of the financial reporting process and disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

2) Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and fixation of the audit fee;

3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4) Reviewing the financial statements with respect to its unlisted subsidiary(ies), in particular investments made by such subsidiary(ies) of the Company;

5) Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

   ii. Changes, if any, in accounting policies and practices and reasons for the same;

   iii. Major accounting entries involving estimates based on the exercise of judgment by the management;

   iv. Significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to the financial statements;

   vi. Disclosure of any related party transactions; and vii. Modified opinion(s) in the draft audit report.

6) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

8) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;

9) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

10) Scrutiny of inter-corporate loans and investments;

11) Valuation of undertakings or assets of the Company, whichever is necessary;

12) Evaluation of internal financial controls and risk management systems;

13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15) Discussion with internal auditors of any significant findings and follow up thereon;

16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18) Looking into the reasons for substantial defaults in payment to depositors, shareholders (in case of non-payment of declared dividends) and creditors;

19) Recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

20) Reviewing the functioning of the whistle blower mechanism;

21) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimisation of employees and Directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

22) Approval of appointment of Chief Financial Officer (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

23) Reviewing the utilisation of loans and/or advances from/investments by the holding company in the subsidiary exceeding ₹100 or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments existing as on the date of coming into force of the provision; and

24) Carrying out any other functions required to be carried out by the Audit Committee in terms of the applicable law.

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of 3 (three) members (all are Non-Executive Directors) and the Chairman of the Committee is an Independent Director. During the year under review, the committee met 5 times, i.e. on June 1, 2020, September 19, 2020, December 06, 2020, February 05, 2021 and March 26, 2021. The necessary quorum was present at the meeting. The Company Secretary acts as the secretary of the committee.

Mrs. Pooja Luthra replaced Mr. Subhash Agarwal in the Nomination and Remuneration Committee as member of the committee w.e.f. September 19, 2020.

The composition of the Nomination and Remuneration Committee and particulars of meetings attended by the members are given below:

Name of Committee members	Category	No. of meetings attended
Mr. Rajiv Dewan	Non-Executive - Independent Director, Chairperson	5
Mr. Rahul Goswamy	Non-Executive - Nominee Director, Member	5
Mrs. Pooja Luthra	Non-Executive - Independent Director, Member	3

SCOPE AND TERMS OF REFERENCE:

The role of the Nomination and Remuneration Committee shall include the following:

1) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees;

2) Formulation of criteria for evaluation of performance of Independent Directors and the Board;

3) Devising a policy on Board diversity;

4) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance (including Independent Director);

5) Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of directors;

6) Recommend to the Board, all remuneration, in whatever form, payable to the senior management;

7) Determining the Company's policy on specific remuneration packages for Executive Directors and recommending remuneration of such Directors and any increase therein from time to time, within the limit approved by the members of the Company;

8) Recommending remuneration to Non-Executive Directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

9) Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

10) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

    (a) The SEBI Insider Trading Regulations; and

    (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

11) Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:

(a) Administering the ESOP Plan 2017;

(b) Determining the eligibility of employees to participate under the ESOP Plan 2017;

(c) Granting options to eligible employees and determining the date of grant;

(d) Determining the number of options to be granted to an employee;

(e) Determining the exercise price under the ESOP Plan 2017; and

(f) Construing and interpreting the ESOP Plan 2017 and any agreements defining the rights and obligations of the Company and eligible employees under the plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Plan 2017, and

12) Perform such other activities as may be delegated by the Board or specified/provided under the Companies Act, 2013 as amended or by the SEBI Listing Regulations, as amended or by any other applicable law or regulatory authority.

The Nomination and Remuneration policy of the Company is available on the Company's website at https://www.cremica.in

PERFORMANCE EVALUATION:

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, the Company has devised a policy for performance evaluation of Independent Directors, Board, committees and other Directors, which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors. The evaluation of the Independent Directors was carried out by the Board, excluding the Director being evaluated, and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning, such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The performance was reviewed on the basis of the criteria, such as contribution of the individual Director to the Board and committee meetings, like preparedness on the issues to be discussed, meaningful and constructive contribution, inputs in meetings, etc.

REMUNERATION TO DIRECTORS:

The remuneration paid to Executive Directors is determined by the Nomination and Remuneration Committee, subject to approval of the Board that is subject to the limits laid down under Section 197 and Schedule V of the Companies Act, 2013 and in accordance with the terms of Appointment approved by the shareholders of the Company. The Non-Executive Directors have not been paid any remuneration, except sitting fees for attending the Board meetings. The details of remuneration paid to Directors during the financial year ended March 31, 2021 are as follows:

(Amt in ₹ million)

Name of Director	Salaries, perquisites and allowances	Commission	Sitting fees	Total
Mr. Anoop Bector	39.47	-	-	39.47
Mr. Ishaan Bector	16.39	-	-	16.39
Mr. Parveen Kumar Goel	7.53	-	-	7.53
Mrs. Rajni Bector	-	-	-	-
Mr. Subhash Agarwal	-	0.45	0.35	0.80
Mr. Rajiv Dewan	-	-	0.35	0.35
Mrs. Pooja Luthra	-	-	0.23	0.23
Mr. Nem Chand Jain	-	-	0.35	0.35
Mr. Tarun Khanna	-	-	-	-
Mr. Rahul Goswamy	-	-	-	-

DIRECTORS WITH PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTION WITH THE COMPANY:

The Executive Directors receive salary, perquisites, allowances and other benefits in accordance with their terms of appointment, while all the Non-Executive Directors/Independent Directors receive sitting fees for attending the Board meetings. It is also to be noted that the transactions with other entities where Chairman & Managing Director/Executive Directors are interested are being carried out by the Company in its ordinary course of business and on arm's length basis, in compliance with the laws applicable thereto.

CRITERIA FOR MAKING PAYMENTS TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As per the Nomination & Remuneration Policy of the Company, the Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to Executive Directors and Key Managerial Personnel. The Board and the committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders, and the individual and corporate performance in recommending and approving the remuneration of Executive Directors and Key Managerial Personnel. Further, the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing/ Executive Director) and the senior management based on prevailing HR policies of the Company.

The remuneration/sitting fees, as the case may be, paid to Non-Executive/Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force, or as may be decided by the committee/Board/shareholders.

(C) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of 3 (three) members. During the year under review, the committee met on 1 (one) occasion, viz. February 05, 2021. The committee looks into various queries/issues relating to shareholders/investors, including non-receipt of dividend, annual report, etc. Mr. Atul Sud is the Company Secretary and Compliance Officer of the Company.

The table below highlights the composition and attendance of the members of the Committee as on March 31, 2021:

Name of Committee members	Category	No. of meetings attended
Mr. Rajiv Dewan	Non-Executive - Independent Director, Chairperson	1
Mr. Anoop Bector	Executive - Director, Member	1
Mr. Rahul Goswamy	Non-Executive - Nominee Director, Member	1

Scope and terms of reference:

The role of the Stakeholders' Relationship Committee shall include the following:

1) Considering and resolving grievances of shareholders and other security holders;
2) Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of equity shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
3) Resolving the grievances of the security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
4) Review of measures taken for effective exercise of voting rights by shareholders;
5) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
6) Review of various measures and initiative taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders of the Company;
7) Allotment of equity shares, approval of transfer or transmission of equity shares or any other securities;
8) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
9) Carrying out any other functions required to be undertaken by the Stakeholders' Relationship Committee under the applicable law.

(D) Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013, comprising Mr. Anoop Bector as Chairman and Mr. Subhash Agarwal and Mr. Parveen Kumar Goel as members. The Committee met twice during the year, viz., 19.09.2020 and 26.03.2021.

The table below highlights the composition and attendance of the members of the committee as on March 31, 2021:

Name of Committee members	Category	No. of meetings attended
Mr. Anoop Bector	Executive Director, Chairperson	1
Mr. Subhash Agarwal	Non-Executive - Independent Director, Member	2
Mr. Parveen Kumar Goel	Executive Director, Member	2

Scope and terms of reference:

The role of the CSR committee shall include the following:

1) Formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013;

2) Review and recommend the amount of expenditure to be incurred on the activities referred to above;

3) Monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

4) Any other matter as the CSR Committee may deem appropriate, after approval of the Board, or as may be directed by the Board from time to time.

The annual report on CSR activities undertaken by the Company forms part of the Board's Report as Annexure.

(E) Risk Management Committee

The Board has constituted a Risk Management Committee, which comprises Mr. Rahul Goswamy as Chairperson and Mr. Parveen Kumar Goel and Mr. Rajiv Dewan as members of the committee.

The committee met twice during the year, viz., 19.09.2020 and 31.03.2021. The attendance of the members of the committee is as given below:

Name of Committee members	Category	No. of meetings attended
Mr. Rahul Goswamy	Non-Executive - Nominee Director, Chairperson	1
Mr. Parveen Kumar Goel	Executive Director, Member	2
Mr. Rajiv Dewan	Non-Executive - Independent Director, Member	2

Scope and terms of reference:

The role of the Risk Management Committee shall include the following:

1) To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;

2) To frame, devise and monitor risk management plan and policy of the Company;

3) To review and recommend potential risk involved in any new business plans and processes;

4) To review and monitor cyber risk to the extent applicable to the Company; and

5) Any other similar or other functions as may be laid down by the Board from time to time and/or as may be required under the applicable law.

Governance codes

i. Policy on Code of Conduct for Directors and Senior Management:

The Company has adopted a code of conduct ("the code") for Directors and senior management, which is applicable to the Board of Directors and the senior management of the Company. The Board of Directors and the members of the senior management team of the Company are required to affirm annual compliance of this code. A declaration signed by the Managing Director of the Company to this effect is placed at the end of this report. The code requires Directors and employees to act honestly, fairly, ethically, and with integrity and conduct themselves in a professional, courteous and respectful manner. The code is displayed on the Company's website, viz. www.cremica.in

ii. **Conflict of interests:**
Each Director informs the Company on an annual basis about the Board and the committee positions he occupies in other companies, including chairmanships and notifies changes during the year, if any. The members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

iii. **Insider trading code:**
The Company has adopted a policy for the prevention of insider trading, an internal code of conduct for regulating, monitoring and reporting of trades by designated persons ("the PIT code") in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ("the PIT regulations"). The code is applicable to promoters, member of promoter's group, all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT regulations. The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT regulations. A structured digital database is being maintained by the Company, which contains the names and other particulars as prescribed of the persons covered under the codes drawn up pursuant to the PIT regulations.

The Company has formulated a policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information ('UPSI'). The policy is formulated to maintain ethical standards in dealing with sensitive information of the Company by persons who have access to UPSI. The rationale of the policy is to strengthen the internal control systems to ensure that the UPSI is not communicated to any person except in accordance with the insider trading norms.

3. SUBSIDIARY COMPANIES

The Company has two subsidiary companies, viz.:

i. Bakebest Foods Private Limited

ii. Mrs. Bector's English Oven Limited

The composition of the Board of Directors of Bakebest Foods Private Limited is as under:

Name of Directors	Designation
Mr. Anoop Bector	Managing Director
Mr. Subhash Agarwal	Chairman and Non-Executive Independent Director
Mr. Nem Chand Jain	Non-Executive Independent Director
Mr. Ram Sajeevan Verma	Wholetime Director

The composition of the Board of Directors of Mrs. Bector's English Oven Limited is as under:

Name of Directors	Designation
Mr. Anoop Bector	Director
Mr. Parveen Kumar Goel	Director
Mr. Shantilal Sukalal Chaudhari	Director

4. GENERAL BODY MEETINGS

A. THE DETAILS OF THE LAST THREE ANNUAL GENERAL MEETING(S) OF THE COMPANY ARE GIVEN AS FOLLOWS:

Financial year	Day & date	Time	Venue	No. of special resolutions passed
2019-2020	Friday 16.10.2020	11:00 hours (IST)	Through VC	8
2018-2019	Friday 20.09.2019	16:00 hours (IST)	At the Registered office of the Company: Theing Road, Phillaur-144410, Punjab	1
2017-2018	Wednesday 01.08.2018	17:00 hours (IST)	At the Registered office of the Company: Theing Road, Phillaur-144410, Punjab	6

B. POSTAL BALLOT/EXTRA-ORDINARY GENERAL MEETING

Extra-ordinary General Meeting has been convened by the Company during the financial year 2020-21 on June 29, 2020.

5. MEANS OF COMMUNICATION

(a) The un-audited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year, as per the requirement of the listing regulations.

(b) The approved financial results are sent to the stock exchanges forthwith and published in 'Financial Express' (English newspaper) and Desh Sewak (local language Punjabi newspaper) within forty-eight hours of approval thereof.

(c) The Company's financial results and official press releases are displayed on the Company's website: www.cremica.in

(d) Investor presentations, official press releases and other general information are sent to the stock exchange(s) and are also displayed on the Company's website: www.cremica.in

(e) Management Discussion and Analysis report forms a part of the annual report.

(f) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the stock exchanges, viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

(g) A separate dedicated section under "Financial Performance", on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

(h) SEBI processes investor complaints in a centralised web-based complaints redressal system, i.e. SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint, which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

(i) The Company has designated an email-ID for investor services, i.e. compliance@cremica.in and the same is prominently displayed on the Company's website, i.e. www.cremica.in

6. GENERAL SHAREHOLDER INFORMATION

(i) 26th Annual General Meeting: Thursday, 5th day of August, 2021, at 11:00 AM through VC/OAVM

(ii) Financial year: April 1, 2021 to March 31, 2022

(iii) Results for the quarter ending (tentative):
30th June, 2021 – Second week of August, 2021
30th September, 2021 – Second week of November, 2021
31st December, 2021 – Second week of February, 2022
31st March, 2022 – Fourth week of May, 2022

(iv) Dividend payment record date: 29th July, 2021
Date of book closure: Friday, July 30, 2021 to Thursday, August 5, 2021 (both days inclusive)

(v) **Listing on stock exchanges:** The equity shares of the Company are listed on the following stock exchanges:-

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra – Kurla Complex,
Bandra (E), Mumbai - 400 051.

(vi) **ISIN :** INE495P01012
Stock Code/Symbol: BSE- 543253
NSE- BECTORFOOD

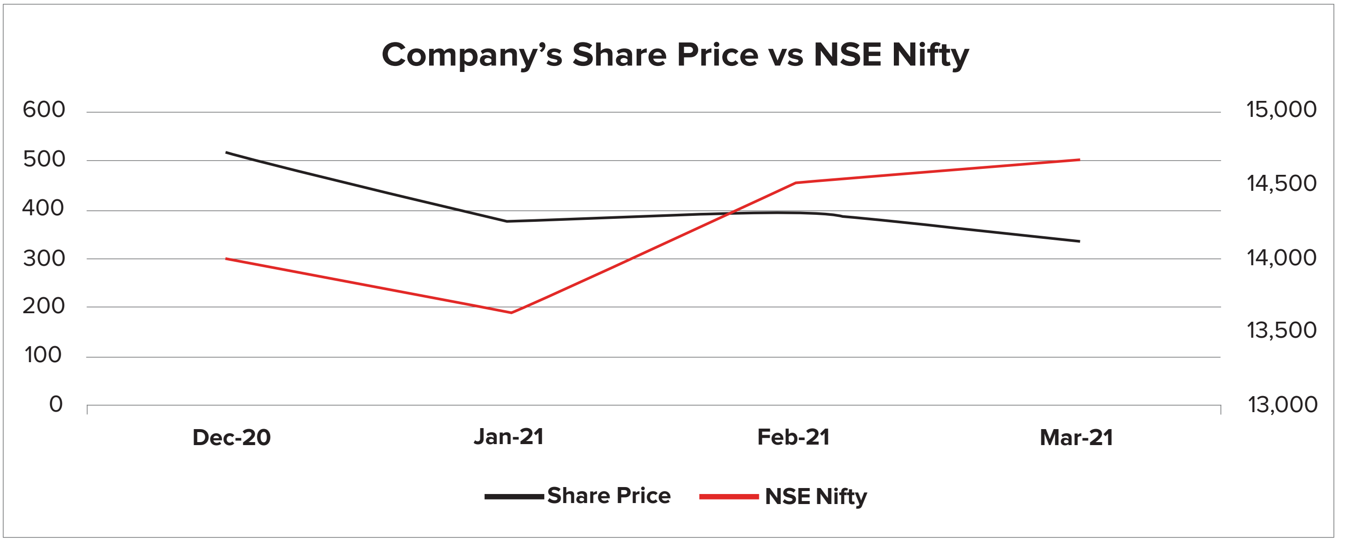
(vii) Listing fee/Annual custody fee:
The annual listing fee has been paid to the BSE and NSE for the financial year 2021-2022. The Company has also made the payment of annual custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2021-22.

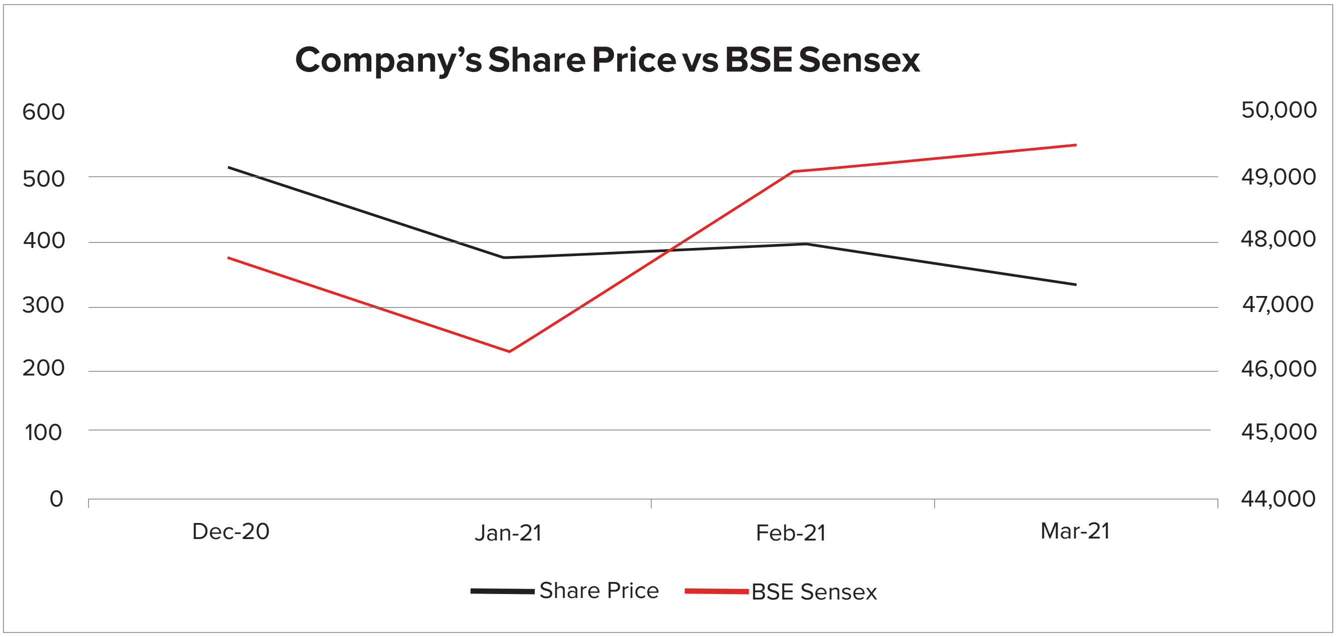
(viii) Market price data:
The details of monthly high/low market price of the equity shares of the Company at BSE Ltd (BSE) and at the National Stock Exchange of India Ltd (NSE) for the year under review is provided hereunder:

(Amt in INR)

Financial year 2020-21	NSE			BSE		
	High	Low	Close	High	Low	Close
Dec-20	624.00	500.00	514.35	629.80	500.00	514.35
Jan-21	519.45	372.50	374.95	519.45	372.65	375.15
Feb-21	426.90	370.60	400.15	426.00	370.05	399.75
Mar-21	407.00	328.40	336.60	406.50	328.40	336.10

(ix) Performance of the Company's equity share price in comparison to BSE and NSE indices:





(x) Registrar to Issue and Transfer Agent

The work related to share transfer registry in terms of both physical and electronic mode is being dealt with by M/s. Link Intime India Private Limited at the address given below:

Link Intime India Pvt Ltd
Noble Heights, 1st Floor, Plot No. NH-2,
C-1 Block, LSC Near Savitri Market,
Janakpuri, New Delhi- 110058
Phone: 1149411000
E-mail: delhi@linkintime.co.in

(xi) Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. As at 31st March, 2021, no equity shares were pending for transfer.

The shares of the Company are traded on the stock exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) of the Company is INE495P01012.

(xii) Distribution of shareholding as on March 31, 2021

Range (No. of shares)	Shareholders		Equity shares of ₹10/- each	
	No. of shareholders	Percentage (%)	No. of shares	Percentage (%)
Upto-500	1,28,764	97.45	73,05,421	12.44
501-1000	2089	1.58	15,64,275	2.66
1001-5000	1128	0.85	22,28,203	3.79
5001-10000	86	0.07	6,06,137	1.03
10000-above	70	0.05	4,70,42,478	80.08
Total	1,32,137	100.00	5,87,46,514	100.00

(xiii) Dematerialization of shares:

As on March 31, 2021, 100% of the equity share capital were dematerialized, except 1 shareholder who is holding 2 shares in physical form.

(xiv) Shareholding pattern as on March 31, 2021

Sl. No.	Category	No. of Shares held	%
1	Promoter and Promoter Group	3,00,38,754	51.13%
2	Public Shareholding:		
	A Institutions		
	(a) Mutual Funds	26,72,768	4.55%
	(b) Alternate Investment Funds	1,29,820	0.22%
	(c) Foreign Portfolio Investors	15,94,668	2.71%
	(d) Insurance Companies	8,55,419	1.46%
	Subtotal (A)	**52,52,675**	**8.94%**
	B Non Institutions		
	(a) Individuals	1,18,22,394	20.12%
	(b) NBFCs registered with RBI	10,29,032	1.75%
	(c) Hindu Undivided Family	2,60,623	0.44%
	(d) Foreign Companies	94,09,867	16.02%
	(e) Non Resident Indians	2,38,714	0.41%
	(f) Bodies Corporate	2,36,931	0.40%
	(g) Others	4,57,524	0.78%
Subtotal (B)		**2,34,55,085**	**39.93%**
Grand Total		**5,87,46,514**	**100.00%**

(xv) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;

The Company has not issued any global depository receipts or American depository receipts or warrants or any convertible instruments during the year.

(xvi) Plant locations:

The plants of the Company are located at:

(a) Phillaur: Theing Road, Phillaur, Jalandhar 144 410, Punjab

(b) Tahliwal: Plot No. 13, Industrial Area 1 & 2, Tahliwal, Distt. UNA- 174507 (HP)

(c) Rajpura: Dakhil Kammi Kalan, Gobindgarh, Rajpura, Patiala- 140702, Punjab

(d) Noida- 11-A Udyog Vihar, Greater Noida, Gautam Budh Nagar- 201306 (UP)

(e) Mumbai: Bakebest Foods Pvt Ltd, Village Vadval, Khalapur, Khopali, Raigad- 410203, Maharashtra

(f) Bengaluru: Plot No. 116, Bommasandra Jigani Link Road, KIADB Industrial Area, Anekal Taluk, Jigani, Bengaluru- 560105

(xvii) Address of correspondence:

Shareholders' correspondence may be addressed to:

(a) Registrar and Transfer Agent- Link Intime India Pvt Ltd, Noble Heights, 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi- 110058

(b) Registered Office- Theing Road, Phillaur, Jalandhar 144 410, Punjab, India

(c) Corporate Office- 11-A Udyog Vihar, Greater Noida, Gautam Budh Nagar, Uttar Pradesh 201 308, India

(xviii) Credit ratings:

During the year under review, the credit rating assigned to the Company by rating agencies are as follows:

Bank facilities	CRISIL rating		ICRA rating
	Revised	Previous	
Long Term rating	CRISIL AA/-Stable	CRISIL A+/Positive'	[ICRA] A+ (Positive)
Short term rating	CRISIL A1+	CRISIL A1	[ICRA] A1+

The detailed report(s) of credit rating obtained by the Company can be accessed at www.cremica.in

7. CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted a Code of Business Conduct & Ethics for all employees and for members of the Board and senior management personnel. The Company, through its Code of Conduct, provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti-competitive practices.

All members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for Board and senior management for the financial year 2020-2021. The declaration to this effect signed by Mr. Anoop Bector, Promoter & Managing Director of the Company, is annexed to this report as Annexure 'A'. The Code of Conduct for employees and the Board and senior management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

8. OTHER DISCLOSURES

a. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the listing regulations.

b. Related Party Transactions

All transactions entered into with the related parties, as defined under the Act and Regulation 23 of the Listing Regulations, during the financial year were on arm's length basis and are in compliance with the requirements of the provisions of Section 188 of the Act.

Transactions with related parties entered in the ordinary course of business have been disclosed under significant accounting policies and notes forming part of the Standalone Financial Statements in accordance with "IND AS". There were no materially significant transactions with related parties during the financial year. There were no materially significant transactions made by the Company with its promoters, Directors or management, and their relatives etc., that may have potential conflict with the interest of the Company at large.

As required under Regulation 23(1) of the listing regulations, the Company has formulated a policy on related party transactions and the same is available on the Company's website and can be accessed at www.cremica.in

In addition, pursuant to Regulation 23(9) of the Listing Regulations, the Company has also submitted within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis in the format specified in the relevant accounting standards for annual results and also published it on the website of the Company.

c. Details of Non-Compliance, Penalties, Strictures Imposed by the Stock exchange(s) or SEBI or any Statutory Authority on any Matter Related to Capital Markets since Listing.

The Company has complied with all requirements specified under the listing regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

d. Whistle Blower Policy / Vigil Mechanism

In line with the provisions of the SEBI Listing Regulations, the Act and other SEBI regulations and principles of good governance, the Company has formulated a robust vigil mechanism for reporting of concerns through the whistle blower policy of the Company. The policy provides for framework and process to encourage and facilitate its employees and Directors to voice their concerns or observations without fear, or raise reports to the management, of instance of any unethical or unacceptable business practice or event of misconduct/unethical behaviours, actual or suspected fraud and violation of the Company's code of conduct, etc. The policy provides for adequate safeguards against victimisation of persons who avail such mechanism and provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

During the year under review, none of the personnel has been denied access to the Chairperson of the Audit Committee.

The policy is placed on the website of the Company at www.cremica.in under the 'Investors' tab.

e. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality, but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to providing a work environment that ensures every woman employee is treated with dignity, respect and accorded equal treatment.

The Company has formulated a policy on prevention of sexual harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to ensure prevention, prohibition, and redressal against sexual harassment. Awareness programmes are organised to sensitise employees'. During the year under review, no complaints of any nature were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

f. Accounting Treatment:

The financial statements of the Company for FY 2020-21 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder.

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

g. Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards (SS) on various aspects of corporate law and practices. The Company has complied with the SS -1 on Board meetings and SS - 2 on general meetings.

h. Insider Trading Code

The Company has adopted 'The Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons' ("Code of Conduct") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("SEBI Insider Regulations"). The code of conduct is applicable to designated persons as defined therein.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("the Code") in compliance with the SEBI Insider Regulations. This code is uploaded on the website of the Company - www.cremica.in.The Company has also formulated "Policy and Procedure for Dealing with leak of Unpublished Price Sensitive Information".

The Company's code of conduct, inter alia, prohibits dealing in securities of the Company by the designated persons defined therein while in possession of unpublished price sensitive information.

i. Web link where policy for determining 'material' subsidiaries is disclosed:

www.cremica.in

j. Web link where policy on dealing with related party transactions is disclosed:

www.cremica.in

k. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). - Not applicable.

l. There was no such instance during FY 2020-2021 when the Board had not accepted any recommendation of any committee of the Board.

m. Certificate from PCS regarding disqualification of Directors:

A certificate has been received from M/s. Anuj Bansal & Associates, Practicing Company Secretaries, Jalandhar, a firm of Company Secretaries in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such statutory authority. The said certificate is appended to this report.

n. Recommendations of committees of the Board

During the year under review, there were no instances where the Board did not accept any recommendations of any committees of the Board which were mandatorily required.

o. Fees to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. BSR & Co. LLP, Chartered Accountants, Statutory Auditors of the Company and all the entities in the network firm/network entity of which Statutory Auditor is a part is as under:

(₹ in million)

Name of Company or its subsidiaries obtaining service	Name of Statutory Auditor	Payment to auditors in the year 2020-21	Payment to auditors in the year 2019-20
Mrs. Bectors Food Specialities Limited	M/s. BSR & Co. LLP, Chartered Accountants	5.88*	5.27
Bakebest Foods Private Limited	M/s. BSR & Co. LLP, Chartered Accountants	0.57	0.50

*Payment made to auditors mentioned above is exclusive of the payment made to auditors for IPO, which is nil last year.

9. DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS 2015

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The corporate governance report of the Company for the year 2020-21 or as on March 31, 2021 are in compliance with the applicable requirements of SEBI as per listing regulations.

The following non-mandatory requirements under Part E of Schedule II of the listing regulations to the extent they have been adopted are mentioned below:

i) The Board: The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

ii) Shareholder rights: The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to the stock exchanges and updated on the website of the Company.

iii) Modified opinion(s) in the audit report: There are no modified opinions in the audit report.

iv) Reporting of Internal Auditor: In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee, which reviews the audit reports and suggests necessary action.

10. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENT

i. The Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46 of Listing Regulations as applicable.

ii. Compliance certificate by Practicing Company Secretary- Certificate from M/s. Anuj Bansal & Associates, Practicing Company Secretaries, Jalandhar, a firm of Company Secretaries in Practice, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this report.

For and on behalf of the Board of Directors
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**Subhash Agarwal**)
Chairman
(DIN: 02782473)

Place: Phillaur
Date: 07.06.2021

MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all Board members and senior management personnel of the Company (as defined in the above said regulations) have affirmed compliance with the Code of Conduct for Board of Directors and senior management personnel' for the year ended 31st March, 2021.

Sd/-

Place: Phillaur
Date: 07.06.2021

Anoop Bector
Managing Director

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

(Pursuant to Clause 10 of Part C of Schedule V of SEBI (LODR) Regulations, 2015)

To,
The Members of
Mrs. Bectors Food Specialities Limited
Theing Road, Phillaur, Distt. Jalandhar

We have reviewed the compliance of the conditions of Corporate Governance **by Mrs. Bectors Food Specialities Limited** having CIN: **L74899PB1995PLC033417** and having registered office at **Theing Road, Phillaur, Distt. Jalandhar -144410** in (hereinafter referred to as 'the Company'), for the financial year 2020-21 ended on 31st March, 2021 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

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

For **Anuj Bansal & Associates**
Practicing Company Secretaries

Sd/-
Anuj R Bansal
C.P. No. 3667

Place: Jalandhar

M. No. 5166

MD / CFO CERTIFICATE

Under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

To,
The Board of Directors,
Mrs. Bectors Food Specialities Limited

1. We have reviewed financial statements and the cash flow statement of Mrs. Bectors Food Specialities Limited for the year ended on 31st March, 2021 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit committee:-
   i. that there are no significant changes in internal control over financial reporting during the year except changes consequent to the adoption of IND AS;
   ii. that there are significant changes in accounting policies during the year on account of Ind AS adoption ;and
   iii. that there are no instances of significant fraud of which we have become aware.

Sd/-
Anoop Bector
(*Managing Director*)
(DIN: 00108589)

Place: Phillaur
Date: 07.06.2021

Sd/-
Parveen Kumar Goel
(*Wholetime Director & Chief Financial Officer*)
(DIN: 00007297)

Place: Phillaur
Date: 07.06.2021

ANNEXURE TO CORPORATE GOVERNANCE REPORT
CERTIFICATE FOR NON- DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
Mrs. Bectors Food Specialities Limited
Theing Road, Phillaur,
Jalandhar, Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from **Mrs. Bectors Food Specialities Limited** having CIN **L74899PB1995PLC033417** and having registered office at **Theing Road, Phillaur, Distt. Jalandhar -144410** in (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment in Company
1	Mr. Anoop Bector	00108589	Promoter Director	19.09.1995
2	Mr. Ishaan Bector	02906180	Whole Time Directors	15.02.2016
3	Mr. Parveen Kumar Goel	00007297	Whole Time Directors	01.05.2008
4	Mr. Subhash Aggarwal	02782473	Independent Director	10.02.2017
5	Mr. Rajiv Dewan	00007988	Independent Director	10.07.2018
6	Mrs. Pooja Luthra	03413062	Independent Director	19.09.2020
7	Mr. Rahul Goswamy	07357011	Nominee Director	08.12.2015
8	Mrs. Rajni Bector	00108730	Non-Executive Non-Independent Director	30.06.2006 (Resigned w.e.f. 31.03.2021)

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

For **Anuj Bansal & Associates**
Practicing Company Secretaries

Sd/-
Anuj R Bansal
C.P. No. 3667
M. No. 5166

Place: Jalandhar

Business Responsibility Report

**[Pursuant to Regulation 34(2)(f) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company:	L74899PB1995PLC033417
2	Name of the Company:	Mrs. Bectors Food Specialities Limited
3	Registered Address	Theing Road, Phillaur, Punjab-144410
4	Website	www.cremica.in
5	E-mail ID	compliance@cremica.in
6	Financial Year Reported	1st April, 2020 to 31st March, 2021
7	Sector(s) that the Company is engaged in (Industrial activity Code wise):	
	NIC Code	1071
	Product Description	Biscuits and Bakery Products
8	List three key products that the Company Manufactures (as in balance sheet)	Biscuits
		Bakery products
9	Total Number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (provide details of major 5)	Nil
	(b) Number of National Locations	Six manufacturing facilities at Phillaur and Rajpura in Punjab, Thaliwal in Himachal Pradesh, Noida in Uttar Pradesh, Khopoli in Maharashtra and Bengaluru in Karnataka
10	Market Served by the Company-Local/State/National/ International	The Company sells its products across 22 states in India as well as several countries in the world

Section B: Financial Details of the Company

1	Paid-up capital (INR)	₹58,74,65,140/-
2	Total Turnover (INR)	₹8,807.26 million (Consolidated)
3	Total profit after taxes (INR)	₹722.76 million (Consolidated)
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	₹9.94 million as per Section 135 of the Companies Act, 2013, equivalent to 2.00% of Average Net Profit of the Company for last 3 financial years.
5	List of activities in which expenditure in 4 above has been incurred:-	Please refer to Annexure B (CSR Annual Report) of Board's Report for details

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?
   The Company has two subsidiary Companies.

2. Do the subsidiary Company/Companies participate in Business Responsibility (BR) initiatives of the parent company?
   Not applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?
   The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, the Company has a long-lasting relationship with its suppliers/vendors, and they are encouraged to adopt such practices and follow the concept of being a responsible business.

4. If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   Not applicable.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies
Corporate policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by the management and it is responsibility of concerned functionary or head of the department in charge of the relevant functions at various offices/manufacturing facilities of the Company. Mr. Parveen Kumar Goel, Whole-time Director & CFO of the Company oversees the implementation of the BR policies, keeping in view the executives' feedback and reporting.

(b) Details of the BR head

Sr. No.	Particulars	Details of Director
1	Director Identification Number	00007297
2	Name	Parveen Kumar Goel
3	Designation	Wholetime Director & CFO

2. Principle-wise (as per NVGs) BR policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1 (P1)	Businesses should conduct and govern themselves with ethics, transparency and accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Business should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) **Details of compliance**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for the Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders? Note 1	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any National/international standards? If yes, specify? Note 2	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director? Note 3	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All the policies except HR policies can be viewed at www.cremica.in HR policies are restricted to employees of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders? Note 4	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address 'stakeholders' grievances related to the policy/policies? Note 5	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Note 6	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes:-

1. The policies have been formulated by taking inputs from the concerned internal stakeholders and are updated regularly in light of changing scenario and suggestions.
2. The policies are based on and are in compliance with the applicable regulatory requirements and national/international level standards. The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company.
3. Policies mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other applicable policies are approved by the Managing Director or Functional Heads of the Company as appropriate.
4. The policies will be communicated to key internal stakeholders of the Company. The BR policies are communicated through this report and also through the website of the company.
5. Any grievance/feedback related to the policies can be sent to the Company at compliance@cremica.in by the stakeholders.
6. Yes, the policies are evaluated internally and updated/amended as per the changed business scenario.

(b) **Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO or MD to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.
The Management assesses the business responsibility performance annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the BR report for FY21 is part of the Annual Report, which is available on the website of the Company www.cremica.in. It is published annually beginning with this financial year as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

Section E: Principle-wise Performance

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   The Code of Conduct of the Company includes its policy on ethics, bribery and corruption and is applicable to the Board members, senior management team and employees of the Company. Every employee is required to sign this code at the time of joining. MBFSL has zero tolerance policy towards bribery and corruption and they have been advised not to indulge themselves directly or through intermediaries (agents, partners, contractors, family members or anyone else acting on someone's behalf). They are also advised not to take advantage from a third party like supplier/contractor while dealing with them.

   Every year, Board members and senior management affirm that they are in compliance and will continue to comply with the standards contained in the Code of Conduct.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During FY 20-21, the Company received few complaints related to IPO, which the Company has satisfactorily resolved, and no investor grievance was pending as on March 31, 2021.

Principle 2: Product Life Cycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company has a legacy to provide quality products that are safe and contribute to sustainability throughout their life cycle. The Company has a range of popularly accepted premium and mid-premium products which provide taste with hygiene at fair price. These include the following, among others:

   (a) Biscuits

   (b) Breads and bakery products

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? and (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      The Company follows a series of environmental performance indicators to monitor its efforts for sustainable use of natural resources in manufacturing. The Company is committed to conservation and optimal utilisation of all resources, reducing waste to zero and full recovery of unavoidable by-products.

      The Company monitors and manages total annual water and energy performance vis-à-vis total annual production.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company chooses its suppliers through strictly laid out internal procedures and engages with them according to the non-negotiable minimum standards. Almost all of the inputs used by the Company are indigenous. It helps secure your Company's supplies, reduces risk and volatility in the raw material supply chain.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company works with local suppliers to ensure sustainable production in the long-term. The Company strives to work to create sustainable local sourcing. The objectives include supporting sustainable quality and creating a wider, more flexible supply base. The Company also works on developing local vendors through technical assistance to meet the desired quality/ regulatory norms.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

   Your Company implemented innovative ways of reducing the resources used for the products' packaging. The focus was on using lighter, stronger and better materials that have a lower environmental impact. Your Company is committed towards sustainable environment with special focus on plastic waste management, paving the way to build a healthier society. The waste water generated in the facilities is recycled through the sewage treatment plans and treated water is utilised for gardening purposes.

Principle 3: Employee well being

1	Please indicate the Total number of employees	2,517	
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	2,262	
3	Please indicate the Number of permanent women employees	467	
4	Please indicate the Number of permanent employees with disabilities	-	
5	Do you have an employee association that is recognized by management	-	
6	What percentage of your permanent employees is members of this recognized employee association?	NA	
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:		
	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	Child labour/forced labour/involuntary labour	Nil	Nil
	Sexual harassment	Nil	Nil
	Discriminatory employment	Nil	Nil
8	What percentage of your under-mentioned employees were given safety training in the last year?		
	(a) Permanent Employees	100%	
	(b) Permanent Women Employees	99%	
	(c) Casual/ Temporary/ Contractual Employees	98%	
	(d) Employees with Disabilities	Nil	

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

1. Has the Company mapped its internal and external stakeholders?

   Yes, as a result of regular and extensive stakeholder engagement over last two and half decades, the Company's business operations have evolved, balancing business priorities and responsibility towards economic, environmental and social sustainability. The Company builds trust though productive relationships, fosters working partnerships and considers stakeholders both internal and external as integral to its business.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Engagement leads to exchange of ideas, redressal of concerns and convergence of interests, leading to reinforced trust, long term association. Our comprehensive engagement mechanism enables a proactive dialogue with our internal as well as external stakeholders.

   We solicit stakeholder expectations and accordingly streamline our policies, processes and products with a view to address the same.

   At MBFSL, CSR is based on the belief that business sustainability is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates.

   Our focus areas are environment sustainability in rural areas and education among others.

   For taking up environment sustainability, we have provided solar lights in villages, investing in renewable energy and adopted two water ponds near Rajpura and set up water rain harvesting facilities. In order to promote education, the company has partnered with Mrs. Bectors Foundation for construction and renovation of building of Government School at Phillaur, Punjab.

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

   The policy covers the Company and all vendors, contractors and associates.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the year 2020-21, the Company did not receive any complaint with regard to human rights.

Principle 6: Environment

1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others.

   Yes, the Company's policy is extended to the entire group including its subsidiaries. The Company ensures that the policy is implemented at all levels and the suppliers/contractors/NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   At MBFSL, we understand the implications of energy consumption, both in terms of its cost to our operations and the price environment pays for it. We are committed to invest in newer technologies and processes to enhance our efficiency in a more sustainable manner. Company has taken various steps towards delivering its responsibility to combat climate change. Few of them are listed below:

   - The Company is investing on renewable energy and is providing solar power in its plant at Rajpura, Phillaur, Tahliwal and Khopoli with an investment of more than ₹50 million.
   - Converting wastewater into usable water for purposes like irrigation of gardens.
   - Usage of piped natural gas (PNG) and compressed natural gas (CNG) in most of the manufacturing process to reduce pollution.
   - Use of energy efficient LED lights.

3. Does the Company identify and assess potential environmental risks?
   Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?
   The Company adheres to all rules, regulations, standards framed by Central Pollution Control Board ("CPCB") and State Pollution Control Board ("SPCB") of respective states where the Company's plants are situated. Compliances of these rules, regulations and standards are being checked by internal auditors.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
   The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment. The details of initiatives taken for conservation of energy are given in Annexure-A to the Board's Report and the same is disclosed on the website of the Company.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by Central Pollution Control Board and State Pollution Control Board (CPCB/SPCB) for the financial year being reported?
   Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
   Nil

Principle 7: Policy Advocacy

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of Chamber of Commerce Ludhiana, the Confederation of Indian Industry and Ludhiana Management Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):
   Yes. The Company engages with government, regulatory authorities and relevant public bodies in areas which include food regulations, environment and plastic packaging, amongst others.

Principle 8: Inclusive Growth

1. Does the Company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.
   Yes. Our CSR activities are basically in the areas of environment sustainability in rural areas and education. The contribution and the work undertaken by the implementing agencies is available in the Annual Report on CSR activities annexed as Annexure-B to the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?
   Projects are undertaken through in-house teams and in partnership with Mrs. Bectors Foundation that share our ambition towards creating inclusive growth.

3. Have you done any impact assessment of your initiative?
   Yes. Need and outcome assessments at grassroots level are conducted at regular intervals to evaluate and continually improve efficiency in programme implementation and outcomes.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
   ₹9.94 million as per Section 135 of the Companies Act, 2013. For more details, please refer to Annexure-B to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   Yes. The sustainability and CSR initiatives are also periodically reviewed by the senior management and the CSR committee of the Board. The feedback provides the basis for which the deployment of programmes is continuously improved.

Principle 9: Customer/ Consumer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?
   As on the end of 2021, the Company has no pending consumer complaints.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)
   Yes. The Company is committed to providing products and services that offer best-in-class quality. With a continually growing product portfolio, the Company endeavours to use sustainably sourced ingredients. The Company adopts stringent hygiene standards, benchmarked manufacturing practices and robust quality assurance systems for its products and the declared product shelf-life is determined based on applicable regulations.

   The Company complies with all regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion etc. The Company also makes efforts to educate customers on responsible usage of its products.

   In addition, the Company has a dedicated consumer response cell to respond to customer queries and feedback on products so as to be able to continuously improve upon its products and services.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
   None.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
   The Company carries out consumer surveys to understand consumer feedback, product satisfaction and preference from time to time.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Mrs. Bectors Food Specialities Limited

Report on the Audit of Standalone Financial Statements

1. OPINION

We have audited the standalone financial statements of Mrs. Bectors Food Specialities Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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

2. BASIS FOR OPINION

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

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

REVENUE RECOGNITION

Refer to note 2 (g) and 32 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and services is recognised when control in goods is transferred to the customer and when the services are completed, and is measured net of rebates, discounts and returns. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. We focussed on this area since there is a risk that revenue may be overstated because of fraud, resulting due to the pressure from Management and Board of Directors who may strive to achieve performance targets. Also, revenue is a key performance indicator for the Company which makes it susceptible to misstatement because the timing of revenue recognition requires exercise of judgement. In view of the above, we have identified risk of fraud in revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ■ We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards; ■ We evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions (using random sampling); ■ Involved our IT specialists to assist us in testing of general IT controls and key IT application controls relating to revenue recognition;

The key audit matter	How the matter was addressed in our audit
	■ We performed testing by selecting samples (using statistical sampling) of revenue transactions recorded for the year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances and shipping documents (as applicable), to assess whether these are recognised in the appropriate period in which control is transferred or services are provided. ■ We carried out analytical procedures on revenue recognised during the year to identify unusual variances. ■ We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. ■ We tested sample manual journal entries for revenue, selected based on specified risk- based criteria to identify unusual items. ■ Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

4. OTHER INFORMATION

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(A) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(B) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 01 April 2021 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) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements.

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

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

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Place: Gurugram, Haryana — Membership No.: 094549
Date: 07 June 2021 — ICAI UDIN: 21094549AAAACN8063

ANNEXURE A REFERRED TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRS. BECTORS FOOD SPECIALITIES LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021.

(Referred to in paragraph 7 (A) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

WE REPORT THAT:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are physically verified by the management in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets. As informed to us, no material discrepancies have been noticed on such verification.

(c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties included in property, plant and equipment are held in the name of the Company except for the following:-

S. No	Type of Immovable property	Location of Immovable Property	Gross block of property as on 31 March 2021 (₹in million)	Net block of property as on 31 March 2021 (₹in million)
1	Freehold land	Tahliwal, Himachal Pradesh.	4.27	4.27

In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) The inventories, except goods in transit, have been physically verified by the management during the year. For goods in transit in respect of purchase and sales of material, all material is substantially received or delivered till the date of issuance of this report. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. Further, as informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to information and explanations given to us, the Company has not granted any loans secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company has not provided any loan, guarantee or security as specified under section 185 of the Act. Further, the Company has complied with the provisions of section 186 of the Act in relation to investment made.

(v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) The Central Government has not prescribed for the maintenance of cost records under section 148(1) of the Act for any goods sold or services rendered by the company. Accordingly, para 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax,

Goods and Services Tax ('GST'), Duty of customs and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in deposit of income-tax, Professional tax and welfare fund in few cases though not serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, GST, Duty of customs and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax since effective 1 July 2017, these statutory dues have been subsumed into GST.

(b) According to the information and explanations given to us, there are no dues of Income tax, GST, Sales tax, Service tax, Duty of excise, Duty of customs and Value added tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of Dues	Amount disputed* (₹in million)	Amount deposited (₹in million)	Period to which amount relates	Forum where dispute is pending
Punjab Value Added Tax Act, 2005	Sales tax	2.37 3.75	- -	2008-09 2009-10	Deputy Excise and Taxation Commissioner, Ludhiana
Punjab Tax on Entry of Goods into Local Area Act, 2000	Entry tax	1.69	-	2011-12	Punjab and Haryana High Court, Chandigarh
Himachal Pradesh Value Added Tax Act, 2005	Sales tax	3.01	-	2005-06	VAT Tribunal of Himachal Pradesh
Himachal Pradesh Value Added Tax Act, 2005	Sales tax	4.83	-	2006-07	Deputy Excise and Taxation Commissioner, Palampur
Uttar Pradesh Value Added Tax Act, 2008	Sales tax	1.91 1.59 0.09	- - -	2013-14 2014-15 2016-17	Deputy Excise and Taxation Commissioner, Gautam Budh Nagar
Maharashtra Value Added Tax Act, 2002	Sales tax	0.38	-	2015-16	Deputy Commissioner of State Tax, Raigad
Delhi Value Added Tax Act, 2004	Sales tax	0.12 0.82 0.15	- - -	2011-12 2012-13 2013-14	Assistant Commissioner of State Tax, Delhi
Income Tax Act,1961	Income Tax	5.73 6.05 0.13 1.83 0.18 28.89 7.07	5.73# 6.05	2007-08 (A.Y.) 2009-10 (A.Y.) 2011-12 (A.Y.) 2013-14 (A.Y.) 2015-16 (A.Y.) 2017-18 (A.Y.) 2018-19 (A.Y.)	Commissioner of Income Tax (Appeals), Ludhiana

*amount as per demand orders including interest and penalty, wherever indicated in order. #adjusted against refund dues.

(viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding debentures or dues on account of loans or borrowings to government during the year. The RBI has issued guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020 and in accordance therewith, the Company has opted for moratorium on the payment of principal instalment of term loan falling due during the year at different intervals, and on payment of interest on cash credit falling due between April 1, 2020 and August 31, 2020. There are no dues to debenture holders during the year.

(ix) During the year, the Company has raised ₹405.40 million by way of initial public offering (IPO) of fresh equity shares. According to the information and explanations given to us and based on our examination of the records of the Company, entire proceeds of the IPO remained unutilised till year end. The term loans taken by the Company has been applied for the purposes for which they were obtained. As further informed to us, the Company has not raised any money by way of debt instruments.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provision of section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 21094549AAAACN8063

Place: Gurugram, Haryana
Date: 07 June 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MRS. BECTORS FOOD SPECIALITIES LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

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

(Referred to in paragraph 7(B)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Mrs. Bectors Food Specialities Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 21094549AAAACN8063

Place: Gurugram, Haryana
Date: 07 June 2021

Balance sheet as at 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	**3,178.49**	3,151.72
Capital work-in-progress	4	**552.74**	59.46
Right-of-use assets	6	**142.01**	153.00
Intangible assets	5	**0.41**	6.13
Financial assets			
(i) Investments in subsidiaries	7	**182.00**	182.00
(ii) Equity accounted investment	8	**17.09**	17.09
(iii) Loans	9	**33.51**	33.22
(iv) Other financial assets	10	**0.11**	0.26
Income tax assets (net)	11	**25.44**	38.58
Other non-current assets	12	**70.37**	170.26
Total non-current assets		**4,202.17**	3,811.72
Current assets			
Inventories	13	**556.03**	420.56
Financial assets			
(i) Investments	13A	**61.71**	-
(ii) Trade receivables	14	**675.83**	731.38
(iii) Cash and cash equivalents	15	**312.62**	202.97
(iv) Bank balances other than (iii) above	16	**449.52**	55.69
(v) Loans	17	**27.03**	3.57
(vi) Other financial assets	18	**226.54**	178.90
Other current assets	19	**88.33**	92.66
Total current assets		**2,397.61**	1,685.73
Total assets		**6,599.78**	5,497.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	**587.47**	572.68
Other equity	21	**3,556.96**	2,498.35
Total equity		**4,144.43**	3,071.03
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	22	**1,148.30**	856.53
(ii) Lease liabilities	6	**9.80**	15.38
Provisions	23	**69.53**	57.31
Deferred tax liabilities (net)	24	**84.40**	67.55
Other non-current liabilities	25	**104.33**	131.40
Total non-current liabilities		**1,416.36**	1,128.17
Current liabilities			
Financial liabilities			
(i) Borrowings	26	**32.52**	180.51
(ii) Lease liabilities	6	**5.58**	11.43
(iii) Trade payables	27		
(a) Total outstanding dues of micro enterprises and small enterprises		**46.14**	53.62
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**505.02**	399.32
(iv) Other financial liabilities	28	**221.34**	343.74
Other current liabilities	29	**183.03**	134.10
Provisions	30	**29.89**	156.79
Current tax liabilities (net)	31	**15.47**	18.74
Total current liabilities		**1,038.99**	1,298.25
Total liabilities		**2,455.35**	2,426.42
Total equity and liabilities		**6,599.78**	5,497.45
Significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Statement of Profit & Loss for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
INCOME			
Revenue from operations	32	**8,377.69**	7,077.41
Other income	33	**98.36**	71.10
Total income		**8,476.05**	7,148.51
Expenses			
Cost of materials consumed	34	**4,466.14**	3,827.75
Purchase of stock-in-trade	35	**6.30**	3.70
Changes in inventories of finished goods, stock-in- trade and work-in-progress	36	**(67.73)**	(43.54)
Employee benefits expense	37	**1,200.98**	1,107.00
Finance costs	38	**95.20**	150.39
Depreciation and amortisation expense	39	**419.37**	386.41
Other expenses	40	**1,445.02**	1,370.80
Total expenses		**7,565.28**	6,802.51
Profit before tax		**910.77**	346.00
Tax expense	24		
Current tax		**215.52**	104.63
Deferred tax		**17.05**	(40.73)
		232.57	63.90
Profit for the year (A)		**678.20**	282.10
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**(0.81)**	(7.98)
Income tax relating to remeasurement of defined benefit plans		**0.20**	2.01
Total other comprehensive (loss) for the year (B)		**(0.61)**	(5.97)
Total comprehensive income for the year (A + B)		**677.59**	276.13
Earnings per equity share [nominal value of ₹10 (previous year ₹10)]	41		
Basic		**11.76**	4.93
Diluted		**11.75**	4.92
Significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Statement of Changes in Equity for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	5,72,67,922	572.68	5,72,67,922	572.68
Share based option exercised during the year	70,000	0.70	-	-
Shares issued during the year	14,08,592	14.09	-	-
Balance at the end of the reporting year	**5,87,46,514**	**587.47**	5,72,67,922	572.68

(b) Other Equity

Particulars	Note	Reserves & Surplus				Total
		Share options outstanding account	Capital reserve	Securities premium	Retained earnings	
Balance at 1 April 2019		**8.35**	**14.37**	**243.92**	**1,998.55**	**2,265.19**
Profit for the year		-	-	-	282.10	282.10
Other comprehensive (loss) / income for the year*	21 c	-	-	-	(5.97)	(5.97)
Total comprehensive income for the year		**-**	**-**	**-**	**276.13**	**276.13**
Share based expense	21 d	2.79	-	-	-	2.79
Share based option forfeited during the year	21 d	(2.81)	-	-	-	(2.81)
Less: Interim dividend	21 c	-	-	-	(42.95)	(42.95)
Less: Dividend distribution tax on interim dividend**	21 c	-	-	-	-	-
Balance at 31 March 2020		**8.33**	**14.37**	**243.92**	**2,231.73**	**2,498.35**
Profit for the year		-	-	-	678.20	678.20
Other comprehensive (loss) / income for the year*	21 c	-	-	-	(0.61)	(0.61)
Total comprehensive income for the year		**-**	**-**	**-**	**677.59**	**677.59**
Shares issued during the year	21 b	-	-	391.31	-	391.31
Utilised for IPO expenses	21 b	-	-	(22.71)	-	(22.71)
Share based expense	21 d	0.90	-	-	-	0.90
Employee stock option exercised during the year	21 d	(4.34)	-	15.86	-	11.52
Balance at 31 March 2021		**4.89**	**14.37**	**628.38**	**2,909.32**	**3,556.96**

* Represents remeasurement of defined benefit plans (net of tax).
** Tax on dividend paid is net of credit of ₹Nil (₹8.67 for the year ended 31 March 2020). Credit was on account of dividend distribution tax on dividend received from subsidiary company.

Significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Statement of Cash Flows for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit before tax	**910.77**	346.00
	Non-cash adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	**419.37**	386.41
	Allowances on trade receivable and other advances	**42.67**	71.18
	Bad debts written off	**-**	20.23
	Liabilities no longer required written back	**(55.84)**	(4.98)
	Amortisation of government grants	**(23.69)**	(18.82)
	Change in fair value of derivative contracts	**(19.74)**	19.24
	Net unrealized foreign exchange loss/ (gain)	**8.58**	(26.69)
	Dividend income	**-**	(45.38)
	Net loss/ (profit) on sale/write off of property, plant and equipment	**0.44**	(0.45)
	Share based payment to employees	**0.90**	(0.02)
	Finance costs	**95.20**	150.39
	Interest income	**(17.22)**	(5.44)
	Operating profit before working capital changes	**1,361.44**	891.67
	Movement in working capital:		
	(Increase)/ decrease in non current loans	**(0.29)**	1.60
	(Increase) in current loans	**(23.46)**	(3.57)
	(Increase) in other financial assets	**(37.64)**	(24.21)
	(Increase) in other non-current assets	**(0.75)**	(0.29)
	Decrease in other current assets	**4.33**	106.10
	(Increase) in inventories	**(135.47)**	(87.67)
	Decrease in trade receivables	**3.61**	188.59
	Increase in non current provisions	**11.41**	9.77
	(Decrease)/ increase in current provisions	**(71.06)**	14.90
	Increase in other liabilities	**45.55**	14.11
	Increase/ (decrease) in trade payables	**98.22**	(11.82)
	Increase/ (decrease) in other financial liabilities	**5.26**	(1.32)
	Cash generated from operations	**1,261.15**	1,097.86
	Income tax paid (net of refund)	**(207.77)**	(97.62)
	Net cash from operating activities (A)	**1,053.38**	1,000.24
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	**(799.66)**	(406.39)
	Proceeds from sale of property, plant and equipment (including capital work-in-progress)	**12.03**	13.60
	Purchase of invesments	**(61.71)**	-
	Net investments in bank deposits (having original maturity of more than three months)	**(393.68)**	(4.63)
	Dividend income	**-**	45.38
	Interest received	**14.46**	5.53
	Net cash used in investing activities (B)	**(1,228.56)**	(346.51)

Statement of Cash Flows for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
C. Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	**405.40**	-
Proceeds from exercise of employee stock option (including securities premium)	**12.22**	-
Share premium utilised for IPO expenses	**(22.71)**	-
Proceeds from non-current borrowings *	**521.33**	81.09
Repayments of non-current borrowings *	**(380.01)**	(203.98)
Repayments of current borrowings (net)	**(147.99)**	(167.80)
Payment of lease liabilities (including interest on lease liabilities)	**(11.63)**	(18.17)
Finance costs paid	**(91.78)**	(149.88)
Dividend paid on equity shares (including dividend distribution tax)	**-**	(42.95)
Net cash from/ (used) in financing activities (C)	**284.83**	(501.69)
Net increase in cash and cash equivalents (A+B+C)	**109.65**	152.04
Cash and cash equivalents at the beginning of the year	**202.97**	50.93
Cash and cash equivalents at the end of the year	**312.62**	202.97
Notes:-		
1. Cash and cash equivalents include		
Balance with banks		
- in current accounts	**176.86**	139.09
- deposits with origianl maturity of less than three months	**134.43**	60.07
Cash on hand	**1.33**	3.81
	312.62	202.97

* Also refer note 22 (b) for reconciliation of liabilities from financing activities.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

Significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Notes to Standalone Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

1. REPORTING ENTITY

Mrs. Bectors Food Specialities Limited referred to as "the Company" is domiciled in India. The Company's registered office is at Theing Road, Phillaur-144410, Punjab, India. The Company is engaged in the business of manufacturing and distribution of food products. The Company caters to both domestic and export markets. During the current year, the equity shares of the Company have been listed on BSE Limited and The National Stock Exchange of India Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the period presented, unless otherwise stated.

a) Basis and purpose of preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

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

i) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest million, upto two places of decimal, unless otherwise stated.

ii) Basis of measurement

The standalone financial statements have been prepared under the historical cost basis except for the following:

- Defined benefit liability/(assets): Fair value of the plan assets less present value of defined benefit obligations
- Certain financial assets and liabilities (including derivative instruments): measured at fair value

The standalone financial statements of the Company for the period ended 31 March 2021 and were approved by the Company's Board of Directors on 07 June 2021.

Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in note 49- Financial instruments.

iii) Use of judgments and estimates

In preparing these standalone financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the standalone financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

Judgements

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements have been given below:

- Note 49 - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;
- Note 6 and 44- leases classification and assessment of discount rate in relation to lease accounting as per Ind AS 116

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for the period ended is included below:

- Note 3 & 5 - useful life and residual value of property, plant and equipment and intangible assets;
- Note 46 - measurement of defined benefit obligations: key actuarial assumptions.
- Note 48 - fair value of share-based payments;
- Note 42 - Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 49 - impairment of financial assets;
- Note 2(l) & 49 - Fair value measurement of financial instruments.
- Note 2(m) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 13 – Valuation of inventories
- Note 2(h),25 & 29 – Accounting for Government grant
- Note 2(n) & 24 - recognition of tax expense including deferred tax, availability of future taxable profits against which tax losses carried forward can be used

iv) Current and non-current classification

The Company presents assets and liabilities in the standalone financial statements based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.

- it is held primarily for the purpose of being traded;

- it is expected to be realized within 12 months after the reporting date; or

- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;

- it is held primarily for the purpose of being traded;

- it is due to be settled within 12 months after the reporting date; or

- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

b) Property, plant and equipment

i. Recognition and measurement

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase 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.

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

Major machinery spares parts are classified as property, plant and equipment when they are expected to be utilized over more than one period. Other spares are carried as inventory and recognised in the Standalone Statement of Profit and Loss as and when consumed.

Any gain or loss on disposal of property, plant and equipment is recognised in Standalone Statement of Profit and Loss.

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Standalone Statement of Profit and Loss. Assets held for sale, that meets the criteria of Ind AS 105 are reported at the lower of the carrying value or the fair value less cost to sell.

(All amounts are in rupees million, unless otherwise stated)

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent Measurement

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Standalone Statement of Profit and Loss when incurred.

iv. Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight line basis using the rates based on the useful lives prescribed as per Part C of schedule II, of the Companies Act 2013 except in case of certain plant and equipment such as moulds, crates and pallets where the management has assessed useful life as 3 years based on internal technical evaluation, and is recognised in the Standalone Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on items of property, plant and equipment is provided as per the rates corresponding to the useful life specific in Schedule II of the Companies Act, 2013 read with notification dated 29 August 2014 of Ministry of Corporate Affairs as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II
Building	30 years	30 years
Plant and machinery	3 to 15 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computer	3 to 6 years	3 years

Significant components of assets and their useful life and depreciation charge is based on an internal technical evaluation. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Derecognition

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone Statement of Profit and Loss.

c) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Standalone Statement of Profit and Loss as incurred.

Estimated useful life of the software is considered as 5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each period / year and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Standalone Statement of Profit and Loss when the asset is derecognized.

Advances paid towards acquisition of intangible assets outstanding at each period end date, are shown under other non-current assets and cost of assets not ready for intended use before the period end, are shown as intangible asset under development.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

d) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Standalone Statement of Profit and Loss.

e) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

f) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity
The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets

The Plan is funded with an Insurance Company in the form of insurance policy. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Standalone Statement of Profit and Loss.

Other long term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit or Loss in the period in which they occur.

g) Revenue

i. Sale of goods

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

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

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at transaction price, 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 when the return period lapses, or a reasonable estimate can be made.

Rendering of services

Revenue in respect of sale of services is recognised on an accrual basis in accordance with the terms of the relevant agreements.

ii. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

iv. Right of return

Company provides a customer with a right to return on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

h) Government grants and subsidies

Government grants for capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant, they are then recognised in Standalone Statement of Profit and Loss as other income on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense on a systematic basis in the periods in which such expenses are recognized.

Export Incentives

Export incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

i) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

a) the gross carrying amount of the financial asset; or

b) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income

Dividend income is recognised when the Company's right to receive the dividend is established which is generally when shareholders approve the dividend.

j) Inventories

Inventories are measured at the lower of cost and net realizable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials, packing materials and stores and spares	Weighted average method
Traded goods	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average cost and includes an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products 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 comparison of cost and net realisable value is made on an item-by-item basis.

k) Provisions, contingent liabilities and contingent assets, Commitments

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. The expense relating to a provision is presented in the Standalone 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. Expected future losses are not provided for.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the standalone financial statements but disclosed where an inflow of economic benefit is probable.

Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

1) Financial assets

i) Initial recognition and measurement

The Company initially recognises financial assets on the date on which they are originated. The Company recognises the financial assets on the trade date, which is the date on which the Company becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss

ii) Classifications and subsequent measurement

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instrument at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value though Profit and Loss (FVTPL):

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from Expected Credit Losses (ECL) impairment are recognised in the profit or loss.

Debt instrument at fair value through Profit and Loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

Equity instruments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value.

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

Investments in Subsidiaries and Associate:

Investments in Subsidiaries and Associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

iii) Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company’s Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

ii) Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities are amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

iii) Derecognition of financial liabilities

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

3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

4) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

m) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n) Income taxes

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and 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. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted to recognize tax expense at the new income tax rate as applicable to the Company.

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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Standalone Statement of Profit and Loss , except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

o) Leases

Leases under Ind AS 116

At inception of a contract, the Company 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.

As lessee

The Company's lease asset classes primarily consist of leases for buildings and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Company elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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 costs incurred and an estimate of costs 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 assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone Statement of Profit and Loss.

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 Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Standalone Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Standalone Statement of Profit and Loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

As lessor

Leases in which the Company transfer substantially all the risks and benefits of ownership of the assets are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment

(All amounts are in rupees million, unless otherwise stated)

in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the standalone statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the standalone statement of profit and loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating lease are included in Property, plant and equipment. Lease income on an operating income is recognized in the standalone statement of profit and loss on a straight line basis over lease term. Costs, including depreciation, are recognized as an expense in the standalone statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the standalone statement of profit and loss.

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risk and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policies applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating lease) are not recognised in the Company's Balance Sheet.

Lease Payments

Payments made under operating leases are generally recognised in the Standalone Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognised as an integral part of the total lease expense over the term of the lease.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief operating decision maker by the management of the Company. Refer note 43 for segment information presented.

q) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

r) Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as IPO expenses recoverable under other current financial assets.

s) Cash and cash equivalents

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

t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(All amounts are in rupees million, unless otherwise stated)

u) Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v) Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

w) Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

x) Recent 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 April 1, 2021. The Company is evaluating these amendments on its standalone financial statements and will give effect to the same as required by law.

(All amounts are in rupees million, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for year	Disposals during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Own assets										
Freehold land	171.67	-	8.74	**162.93**	-	-	-	**-**	171.67	**162.93**
Leasehold improvements	1.09	-	1.09	**-**	0.99	-	0.99	**-**	0.10	**-**
Buildings @	1,240.24	6.99	-	**1,247.23**	121.33	42.36	-	**163.69**	1,118.91	**1,083.54**
Plant and machinery #	2,666.62	401.87	10.54	**3,057.95**	902.98	338.13	7.59	**1,233.52**	1,763.64	**1,824.43**
Furniture and fixtures	43.34	0.45	-	**43.79**	14.84	4.44	-	**19.28**	28.50	**24.51**
Vehicles	83.33	26.66	-	**109.99**	35.07	10.07	-	**45.14**	48.26	**64.85**
Office equipment	25.15	2.33	0.43	**27.05**	11.76	3.71	0.19	**15.28**	13.39	**11.77**
Computer	18.18	2.81	-	**20.99**	10.93	3.60	-	**14.53**	7.25	**6.46**
Total	4,249.62	441.11	20.80	**4,669.93**	1,097.90	402.31	8.77	**1,491.44**	3,151.72	**3,178.49**

Particulars	Gross Block					Depreciation					Net Block	
	As at 1 April 2019	Additions	Disposals / adjustments during the year	Reclassifed on account of adoption of Ind AS 116*	As at 31 March 2020	As at 1 April 2019	Charge for year	Disposals during the year	Reclassifed on account of adoption of Ind AS 116*	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Own assets												
Freehold land	170.47	1.20	-	-	**171.67**	-	-	-	-	**-**	170.47	**171.67**
Leasehold improvements	1.09	-	-	-	**1.09**	0.99	-	-	-	**0.99**	0.10	**0.10**
Buildings @	1,152.95	92.11	4.82	-	**1,240.24**	80.16	41.69	0.52	-	**121.33**	1,072.79	**1,118.91**
Plant and machinery #	2,461.35	214.23	8.96	-	**2,666.62**	608.57	299.08	4.67	-	**902.98**	1,852.78	**1,763.64**
Furniture and fixtures	40.57	2.77	-	-	**43.34**	10.43	4.41	-	-	**14.84**	30.14	**28.50**
Vehicles	76.47	13.88	7.02	-	**83.33**	29.89	10.28	5.10	-	**35.07**	46.58	**48.26**
Office equipment	22.00	3.30	0.15	-	**25.15**	8.15	3.71	0.10	-	**11.76**	13.85	**13.39**
Computer	15.69	2.49	-	-	**18.18**	7.36	3.57	-	-	**10.93**	8.33	**7.25**
Assets on financial lease **												
Leasehold land	141.44	-	-	141.44	**-**	2.88	-	-	2.88	**-**	138.56	**-**
Total	4,082.03	329.98	20.95	141.44	**4,249.62**	748.43	362.74	10.39	2.88	**1,097.90**	3,333.60	**3,151.72**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

a) Refer note 22 and 26 for charge created on property, plant and equipment.

b) Freehold land includes land having gross block amounting to ₹2.59 (31 March 2020 ₹4.27) in the state of Himachal Pradesh, pending to be registered in the name of Company.

c) Vehicles includes motor cars having gross block amounting to ₹0.03 (31 March 2020 ₹0.03) and written down value amounting to ₹0.03 (31 March 2020 ₹0.03) are pending to be registered in the name of the Company.

d) Refer note 42 (c) for disclosure of capital commitments for the acquisition of property, plant and equipment.

\# Plant and machinery includes amount of gross value ₹1,524.65 (31 March 2020 ₹1,219.91), net value of ₹1,025.80 (31 March 2020 ₹873.83) which are partially given under lease arrangement. Also refer note – 32.

@ Buildings includes amount of gross value ₹565.68 (31 March 2020 ₹736.00), net value of ₹498.95 (31 March 2020 ₹664.44) which are partially given under lease arrangement. Also refer note – 32.

* Refer Note 6.

** Refer Note 22 (b).

(All amounts are in rupees million, unless otherwise stated)

4. CAPITAL WORK-IN-PROGRESS

Particulars	As at 1 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Capital work-in-progress*	59.46	845.98	352.70	**552.74**

Particulars	As at 1 April 2019	Additions	Capitalised during the year	As at 31 March 2020
Capital work-in-progress*	155.58	172.98	269.10	59.46

*Detail of preoperative expenses included in CWIP	As at 31 March 2021	As at 31 March 2020
Opening for the year	**5.21**	0.88
Additions as per statement of profit and loss during the year		
- Interest and processing charges #	**24.12**	3.02
- Bank charges	**0.18**	-
- Power & fuel	**1.07**	-
- Travelling and conveyance	**0.91**	1.57
- Miscellaneous expenses	**0.29**	0.62
Subtotal	**26.57**	5.21
Less:- Capitalised to respective property, plant and equipment	**13.69**	0.88
Closing for the year	**18.09**	5.21

Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation relating to general borrowings is ₹4.48 at 8.75% (31 March 2020 ₹1.87 at 8.88%).

5. INTANGIBLE ASSETS

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Charge for year	Deletions	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Computer softwares	27.56	-	-	**27.56**	21.43	5.72	-	**27.15**	6.13	**0.41**
Total	27.56	-	-	**27.56**	21.43	5.72	-	**27.15**	6.13	**0.41**

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Charge for year	Deletions	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Computer softwares	**27.56**	**-**	**-**	**27.56**	**15.59**	**5.84**	**-**	**21.43**	**11.97**	**6.13**
Total	27.56	-	-	**27.56**	15.59	5.84	-	**21.43**	11.97	**6.13**

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES :

Information about leases for which the Company is a lessee is presented below :

Particulars	Category of ROU asset		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2020	136.98	16.02	153.00
Addition/reclassification of leases	1.71	-	1.71
Depreciation charge for the year	(1.59)	(9.75)	(11.34)
Deletions for terminated leases	-	(1.36)	(1.36)
Balance as on 31 March 2021	**137.10**	**4.91**	**142.01**

(All amounts are in rupees million, unless otherwise stated)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES : (CONTD.)

Particulars	Category of ROU asset		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	138.56	32.27	170.83
Addition for the new leases	-	-	-
Depreciation charge for the year	(1.58)	(16.25)	(17.83)
Balance as on 31 March 2020	**136.98**	**16.02**	**153.00**

The aggregate depreciation expense on ROU assets amounting to ₹11.34 (31 March 2020 ₹17.83) is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year:

Lease liabilities	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	**26.81**	42.07
Accredition of interest	**1.64**	2.91
Payment of lease liabilities	**(11.63)**	(18.17)
Deletions for terminated leases	**(1.44)**	-
Balance at the end	**15.38**	26.81

As at balance sheet date, the Company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Lease liabilities	As at 31 March 2021	As at 31 March 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**6.39**	13.08
After one year but not longer than five years	**3.24**	8.98
More than five years	**74.46**	74.46
Total	**84.09**	96.52
Lease liabilities included in the statement of financial position		
Current	**5.58**	11.43
Non- current	**9.80**	15.38
Total	**15.38**	26.81

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

For the transitional impact of Ind AS 116 and accounting policy, refer accounting policy section 2(o).

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company incurred ₹18.99 (31 March 2020 ₹17.13) during the year towards expenses relating to short-term leases for which the recognition exemption has been applied (Refer note 40).

The total cash outflow for leases disclosed in statement of cash flows is ₹11.63 (31 March 2020 ₹18.17) during the year.

(All amounts are in rupees million, unless otherwise stated)

7 INVESTMENTS IN SUBSIDIARIES

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted equity shares at cost		
18,150,000 (31 March 2020: 18,150,000) equity shares of ₹10/- each fully paid up of Bakebest Foods Private Limited	**181.50**	181.50
50,000 (31 March 2020: 50,000) equity shares of ₹10/- each fully paid up of Mrs. Bectors English Oven Limited	**0.50**	0.50
	182.00	182.00
Aggregate value of unquoted investments	**182.00**	182.00
Aggregate amount of impairment in value of investments	**Nil**	Nil

8 EQUITY ACCOUNTED INVESTMENT

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in associate		
Quoted investment in equity share at cost*		
1,937,268 (31 March 2020: 1,937,268) equity shares of ₹10/- each fully paid up of Cremica Agro Foods Limited @	**17.09**	17.09
	17.09	17.09

* Listed on Metropolitan Stock Exchange on 16 July 2018.

@ Certain deposit accounts and a bank account having balance as at 31 March 2021:₹Nil (31 March 2020: ₹60.21) of the associate company, i.e. Cremica Agro Foods Limited were freezed by the Board of Directors due to dispute among some of the Directors of the associate company w.e.f. 6 January 2016. These accounts were unfreezed on 4 February 2021.

Particulars	As at 31 March 2021	As at 31 March 2020
Quoted		
Aggregate book value	**17.09**	17.09
Aggregate market value	*	*
Aggregate amount of impairment in value of investments	**Nil**	Nil

* Not traded since the date of listing.

9 NON-CURRENT LOANS

(Unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	**33.51**	33.22
	33.51	33.22
Breakup of security details		
Loans receivables considered good - unsecured	**33.51**	33.22
Total	**33.51**	33.22

Notes to Standalone Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

10 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with maturity of more than 12 months		
Margin money deposit*	**0.11**	0.26
	0.11	0.26

*Margin money deposits with carrying amount of ₹0.11 (31 March 2020 ₹0.26) are subject to first charge to secure the Company's inland letter of credit and bank guarantees.

11 INCOME TAX ASSETS (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision for tax)	**25.44**	38.58
	25.44	38.58

12 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Advances recoverable in cash or kind	**-**	0.29
Prepaid expenses	**1.04**	-
Capital advances	**69.33**	169.97
	70.37	170.26

13 INVENTORIES

(valued at the lower of cost and net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw material and packing material	**265.23**	198.96
Work-in-progress	**1.41**	0.48
Finished goods - Manufactured goods (including stock in transit ₹128.07 (31 March 2020 ₹57.94))*	**259.29**	192.07
Stock-in-trade	**-**	0.42
Stores and spares	**30.10**	28.63
	556.03	420.56

*The write-down of inventories to net realisable value during the year amounted to ₹3.70 (31 March 2020 ₹0.83).

The write-down is included in changes in inventories of finished goods and work-in-progress.

13A CURRENT INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with financial institution-unquoted		
- 5.20% deposit with Housing Development Finance Corporation Limited	**61.71**	-
	61.71	-
Unquoted current investments		
Aggregate book value of unquoted investments	**61.71**	-

Notes to Standalone Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

14 TRADE RECEIVABLE

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good*	**675.83**	731.38
Considered doubtful / credit impaired	**84.80**	99.90
Less: Loss allowance**	**(84.80)**	(99.90)
	675.83	731.38
Breakup of security details		
Trade receivables considered good - secured	**-**	-
Trade receivables considered good - unsecured	**675.83**	731.38
Trade receivables considered doubtful / credit impaired	**84.80**	99.90
Total	**760.63**	831.28
Less: Loss allowance	**(84.80)**	(99.90)
Total trade receivables	**675.83**	731.38

*Includes dues from related parties (refer note 47)

** The Company's exposure to credit & currency risk and loss allowances related to trade receivables are disclosed in note 49 on financial instruments.

15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
In current account#	**176.86**	139.09
Cash on hand	**1.33**	3.81
Deposits with banks for original maturity of less than three months	**134.43**	60.07
	312.62	202.97

#Includes debit balance of working capital facility availed from HDFC Bank Limited amounting to ₹52.87 (31 March 2020 ₹65.12), from ICICI Bank Limited amounting to ₹58.29 (31 March 2020 ₹Nil) and from State Bank of India Limited amounting to ₹Nil (31 March 2020 ₹17.27).

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at 31 March 2021	As at 31 March 2020
Margin money deposit*	**65.04**	55.69
Deposits due to be matured within 12 months of the reporting date	**384.48**	-
	449.52	55.69

*Margin money deposits with carrying amount of ₹65.04 (31 March 2020 ₹55.69) are subject to first charge to secure the Company's inland letter of credit and bank guarantees.

17 CURRENT LOANS

(Unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	**27.03**	3.57
	27.03	3.57

(All amounts are in rupees million, unless otherwise stated)

18 OTHER CURRENT FINANCIAL ASSETS

(unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Forward exchange contracts used for hedging	**7.24**	-
Export incentives receivable *	**139.19**	100.03
Claims receivable on export	**2.08**	3.21
Interest accrued but not due on fixed deposits with banks	**4.25**	1.49
Other advances	**0.76**	4.39
IPO expenses recoverable @	**73.02**	69.78
	226.54	178.90

* The Company has accrued following export incentives of ₹153.84 (31 March 2020 ₹147.92).

a) Incentive under Merchandise Exports from India Scheme of ₹53.97 (31 March 2020 ₹74.80)

b) Duty Free Import Authorization of ₹93.43 (31 March 2020 ₹73.12)

c) Incentive under Transport and Market Assistance Scheme of ₹6.44 (31 March 2020 ₹Nil)

@ In relation to the IPO expenses incurred for the secondary sales of shares by certain shareholders of the Company during the year ended 31 March 2019, the selling shareholders at that time had confirmed that the expenses incurred by the Company till date and future expenses (including any tax reimbursements) will be reimbursed by each of them on a proportionate basis (i.e. in proportion to the respective shares sold in the offer for sale portion of the IPO by such selling shareholders). These expenses had been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. However, the said secondary sale was cancelled and the aforesaid selling shareholders bore the aforesaid IPO expenses.

Management revived its Initial Public Offer (IPO) plan by way of primary and secondary sales of shares during the year ending 31 March 2021. Further, in relation to the fresh IPO expenses incurred till date and future expenses (including any tax reimbursements), the Company and the selling shareholders have confirmed that the expenses incurred by the Company will be shared between the Company and the selling shareholders in proportion to the number of shares issued in case of a fresh issue or offered for sale portion of the IPO by such selling shareholders. These expenses have been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. Also refer note 42 and 55

19 OTHER CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Advances recoverable in cash or kind	**76.83**	59.71
Less: Provision for doubtful advances recoverable in cash or kind	**(11.90)**	(1.74)
Prepaid expenses	**12.94**	-
Right to recover returned goods	**6.40**	-
Balances with statutory/government authorities		
- Considered good	**4.06**	34.69
	88.33	92.66

(All amounts are in rupees million, unless otherwise stated)

20 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
65,000,000 (as at 31 March 2020: 57,850,000) equity shares of ₹10/- each	**650.00**	578.50
Issued, subscribed and paid-up		
58,746,514 (as at 31 March 2020: 57,267,922) equity shares of ₹10/- each	**587.47**	572.68
	587.47	572.68

a. Terms and rights attached to equity shares

(i) The Company has issued one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

(ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount
Outstanding as at 1 April 2019	**5,72,67,922**	**572.68**
Share based option exercised during the year	-	-
Outstanding as at 31 March 2020	5,72,67,922	572.68
Shares issued during the year	14,08,592	14.09
Share based options exercised during the year	70,000	0.70
Outstanding as at 31 March 2021	**5,87,46,514**	**587.47**

c. Details of shareholders holding more than 5% shares in the Company:

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹10 each fully paid				
Anoop Bector	**1,25,50,800**	**21.36%**	2,28,48,674	39.90%
Anoop Bector (AB Family Trust)	**59,55,462**	**10.14%**	-	-
Ishaan Bector (IB Family Trust)	**47,63,111**	**8.11%**	-	-
Survir Bector (SB Family Trust)	**47,63,111**	**8.11%**	-	-
GW Crown Pte Limited	**47,12,163**	**8.02%**	1,11,70,496	19.51%
Linus Private Limited	**46,13,846**	**7.85%**	1,31,20,790	22.91%

d. Aggregate number of shares allotted or fully paid up during the last five years immediately preceding balance sheet date pursuant to contract without payment received in cash and/or by way of fully paid bonus shares

Particulars	Number of Shares					
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	**-**	-	-	2,86,33,811	-	-
	-	-	-	2,86,33,811	-	-

(All amounts are in rupees million, unless otherwise stated)

e. Shares reserved for issue under options

Information relating to Company's option plan, including details of options issued, exercised, and lapsed during the year and options outstanding at the end of the reporting year, is given in note 48.

21 OTHER EQUITY

	Particulars	As at 31 March 2021	As at 31 March 2020
a	**Capital reserve**		
	Balance at the beginning of the year	**14.37**	14.37
	Less: Movement during the year	**-**	-
	Balance at the end of the year	**14.37**	14.37
b	**Securities premium**		
	Balance at the beginning of the year	**243.92**	243.92
	Add:- Shares issued during the year	**391.31**	-
	Add:- Share based options exercised during the year	**15.86**	-
	Less: Utilised for IPO expenses	**(22.71)**	-
	Balance at the end of the year	**628.38**	243.92
c	**Retained earnings**		
	Balance at the beginning of the year	**2,231.73**	1,998.55
	Add: Profit for the year	**678.20**	282.10
	Add: Other comprehensive (loss) for the year	**(0.61)**	(5.97)
	Less: Interim dividend*	**-**	(42.95)
	Balance at the end of the year	**2,909.32**	2,231.73
d	**Share options outstanding account**		
	Balance at the beginning of the year	**8.33**	8.35
	Share based expense	**0.90**	2.79
	Employee stock option exercised during the year	**(4.34)**	-
	Share based option forfeited during the year	**-**	(2.81)
	Balance at the end of the year	**4.89**	8.33
	Total	**3,556.96**	2,498.35

* Tax on dividend paid is net of credit of ₹Nil (₹8.67 for the year ended 31 March 2020). Credit is on account of dividend distribution tax on dividend received from subsidiary company.

Nature of reserves

Capital reserve

Capital reserve is on account of the business combination transaction as per the Court Scheme dated 04 July 2014.

Securities premium

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

Remeasurement of defined benefit plans (included in retained earnings)

Remeasurement of defined benefit plans represents the following as per Ind AS 19, employee benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(All amounts are in rupees million, unless otherwise stated)

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Share options outstanding account

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under the employee stock option scheme.

Particulars	As at 31 March 2021	As at 31 March 2020
Dividends		
The following dividends were declared by the Company during the year: ₹2.40 per equity share (31 March 2020: ₹0.75)	**140.99**	42.95
Total	**140.99**	42.95

22 NON-CURRENT BORROWINGS

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans (Refer note (a))		
From banks (Secured) @	**1,253.08**	1,126.96
Vehicle loans (Refer note (a))		
From banks (Secured)	**21.45**	6.59
Total non-current borrowings	**1,274.53**	1,133.55
Less: Current maturities of long term debt @	**(124.16)**	(274.61)
Less: Interest accrued but not due on borrowings @	**(2.07)**	(2.41)
Non-current borrowings	**1,148.30**	856.53

(a) Terms and conditions of outstanding borrowings are as follows:

Particulars	ICICI Bank Limited*	HDFC Bank Limited**	Vehicle loans***	Interest accrued but not due	Total
Principal amount					
As at 31 March 2021	611.36	639.77	21.33	2.07	1,274.53
As at 31 March 2020	684.99	439.60	6.55	2.41	1,133.55
Year of maturity	2028-29	2027-28	2024-25	-	-
Term of repayment	monthly basis	monthly basis	monthly basis	-	-
Nominal Interest rate	7.60% - 9.60%	7.45% - 8.80%	7.25% - 9.36%	-	-

* The term loan of ICICI Bank Limited is secured by exclusive charge on all moveable and immovable fixed assets (PPE) both current and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant.

** The term loan of HDFC Bank Limited is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Greater Noida unit. These loans are further secured by way of collateral security of equitable mortgage of factory land measuring 18,720 Sqm situated at 11- A, Udyog Vihar, Greater Noida.

*** Vehicle loans taken from banks and others are secured by hypothecation of respective vehicles.

(All amounts are in rupees million, unless otherwise stated)

Term Loans

Name of the lender	Penalty Clause	Prepayment
ICICI Bank Limited	Default interest Rates in respect of Domestic term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate +2% per annum payable monthly, from the due date till such time the overdue amount is paid. Default interest Rates in respect of International term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% per annum payable monthly, from the due date till such time the overdue amount is paid.	1% of the prepayment amount

@ Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks, the Company has availed the option in the term loans from ICICI Bank Limited and HDFC Bank Limited. However, the interest and principal amount of the moratorium period has already been paid by the Company.

(b) Net debt reconciliation

The following sections sets out an analysis of net debt and the movements in net debt for each of the year presented:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	**312.62**	202.97
Bank balances other than cash and cash equivalents	**449.52**	55.69
Other financial assets	**0.11**	0.26
Lease liabilities (current and non-current)	**(15.38)**	(26.81)
Current borrowings	**(32.52)**	(180.51)
Non-current borrowings (excluding interest accured)	**(1,272.46)**	(1,131.14)
Interest accrued but not due on borrowings	**(2.07)**	(2.41)
Net debt	**(560.18)**	(1,081.95)

Particulars	Financial assets			Liabilities from financing activities				Total
	Cash and cash equivalents	Liabilities from financing activities	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	
Net debt as at 1 April 2020	**202.97**	**55.69**	**0.26**	**(1,131.14)**	**(180.51)**	**(2.41)**	**(26.81)**	**(1,081.95)**
Cash flows	109.65	393.83	(0.15)	(141.32)	147.99	-	11.63	521.63
Interest expense	-	-	-	-	-	(91.44)	(1.64)	(93.08)
Interest paid	-	-	-	-	-	91.78	-	91.78
Other non-cash movements								
- Deletions	-	-	-	-	-	-	1.44	1.44
Net debt as at 31 March 2021	**312.62**	**449.52**	**0.11**	**(1,272.46)**	**(32.52)**	**(2.07)**	**(15.38)**	**(560.18)**

Particulars	Financial assets			Liabilities from financing activities				Total
	Cash and cash equivalents	Liabilities from financing activities	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	
Net debt as at 1 April 2019	**50.93**	**50.91**	**0.41**	**(1,285.07)**	**(327.09)**	**(4.81)**	**-**	**(1,514.72)**
Transition impact of adoption of Ind AS 116	-	-	-	-	-	-	(42.07)	(42.07)
Cash flows	152.04	4.78	(0.15)	153.93	146.58	-	18.17	475.35
Interest expense	-	-	-		-	(150.39)	(2.91)	(153.30)
Interest paid	-	-	-		-	152.79	-	152.79
Net debt as at 31 March 2020	**202.97**	**55.69**	**0.26**	**(1,131.14)**	**(180.51)**	**(2.41)**	**(26.81)**	**(1,081.95)**

(All amounts are in rupees million, unless otherwise stated)

23 PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Compensated absences (refer note 46)	**20.36**	18.92
Gratuity (refer note 46)	**49.17**	38.39
	69.53	57.31

24 INCOME TAX

A. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current year	**221.14**	103.73
Tax adjustment for earlier years	**(5.62)**	0.90
	215.52	104.63
Deferred tax credit		
MAT credit entitlement	**-**	18.69
Changes in recognised temporary differences	**17.05**	(28.57)
Effect of changes in tax rate	**-**	(30.85)
	17.05	(40.73)
Total Tax Expense	**232.57**	63.90

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Defined benefit plan	**(0.81)**	**0.20**	**(0.61)**	(7.98)	2.01	(5.97)
	(0.81)	**0.20**	**(0.61)**	(7.98)	2.01	(5.97)

C. Reconciliation of effective tax rate

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	**25.17%**	**910.77**	25.17%	346.00
Tax using the Company's domestic tax rate		**229.22**		87.08
Tax effect of:				
Non-deductible expenses	**0.37%**	**3.33**	0.38%	1.33
Tax-exempt income	**0.00%**	**-**	-3.30%	(11.42)
Changes in estimates related to earlier years	**0.00%**	**-**	-0.26%	(0.90)
MAT credit reveral	**0.00%**	**-**	5.40%	18.69
Effect of changes in tax rate	**0.00%**	**-**	-8.92%	(30.85)
Others	**0.00%**	**0.02**	-0.01%	(0.03)
Tax expense	**25.54%**	**232.57**	18.47%	63.90

(All amounts are in rupees million, unless otherwise stated)

D. Movement in deferred tax balances

Particulars	As at 1 April 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
Deferred Tax Liability				
Property, plant and equipment	187.89	(17.97)	-	169.92
Right-of-use assets	6.47	(2.79)	-	3.68
Sub- Total (a)	194.36	(20.76)	-	173.60
Deferred Tax Assets				
Provisions - employee benefits	19.67	2.73	0.20	22.60
Allowances on doubtful receivables and advances	25.58	(1.24)	-	24.34
Deferred income on grants	37.47	(5.96)	-	31.51
Others	44.09	(33.34)	-	10.75
Sub- Total (b)	126.81	(37.81)	0.20	89.20
Deferred tax Liabilities (net) (a)-(b)	67.55	17.05	(0.20)	84.40

Particulars	As at 1 April 2019	Recognized in P&L	Recognized in OCI	As at 1 April 2020
Deferred Tax Liability				
Property, plant and equipment	272.08	(84.19)	-	187.89
Right-of-use assets	-	6.47	-	6.47
Other items	3.39	(3.39)	-	-
Sub- Total (a)	**275.47**	**(81.11)**	**-**	**194.36**
Deferred Tax Assets				
Provisions - employee benefits	20.99	(3.33)	2.01	19.67
Allowances on doubtful receivables and advances	16.71	8.87	-	25.58
MAT credit entitlement	18.69	(18.69)	-	-
Deferred income on grants	58.60	(21.13)	-	37.47
Others	50.19	(6.10)	-	44.09
Sub- Total (b)	**165.18**	**(40.38)**	**2.01**	**126.81**
Deferred tax Liabilities (net) (a)-(b)	**110.29**	**(40.73)**	**(2.01)**	**67.55**

Note: Section 115BAA of the Income Tax Act, 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gave a one time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company determined that it will recognize tax expense at the new reduced income tax rates after doing the benefit analysis of existing deductions as compared to reduced tax rates under the new tax regime. Accordingly, the Company had written back deferred tax liability aggregating to ₹30.85 and reversed MAT credit entitlement of ₹18.69 during the year ended 31 March 2020 which represented the effect of the total adjustment over the year due to the change in income tax rate.

25 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income on government grants	104.33	131.40
	104.33	131.40

The Company had been awarded grants under Export Promotion Capital Goods Scheme (EPCG), Agricultural and Processed Food Products Export Development Authority (APEDA), Technology Upgradation, Establishment, Modernisation of Food Processing Industries under NMFP and Scheme for Cold Chain and Value Addition Infrastructure. The Company has not received any grant of capital nature during the year ended 31 March 2021 and 31 March 2020. The grants received in earlier years were conditional upon fulfillment of export obligations in case of EPCG purchase of specified plant and machinery in a specified region. The amount received under grants is recognised as deferred income and is being amortised over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

(All amounts are in rupees million, unless otherwise stated)

26 CURRENT BORROWINGS

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from banks repayable on demand (secured)*	**32.52**	165.33
Loans from related parties (unsecured)**	**-**	15.18
	32.52	180.51

* The facilities availed from State Bank of India Limited in the previous year carries floating rate of interest @ MCLR + 0.25% to 1.25% ranging from 8.75% to 10.30% per annum for the year ended 31 March 2020.

The Company has also taken the working capital limits from HDFC Bank Limited which are secured against entire current assets (existing and future) of Noida Unit. The facilities availed from HDFC Bank Limited carries floating rate of interest @ MCLR + 0.30% @ ranging from 7.20% to 8.75% per annum (0.30% ranging from 8.45% to 8.75% per annum for the year ended 31 March 2020). (Refer Note 15 cash and cash equivalents).

The Company has also taken the working capital limits from ICICI Bank Limited Ltd. which are secured by exclusive charge on all moveable and immovable fixed assets (PPE) both and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant. The facilities availed from ICICI Bank Limited carries floating rate of interest @ MCLR + 0.60% ranging from 7.50% to 8.75% per annum (MCLR + 0.60% to 1.25% ranging from 8.60% to 9.10% per annum for the year ended 31 March 2020).

Name of the lender	Penalty Clause
State Bank of India Limited	The Company will maintain adequate net working capital at all times to meet margin requirements and in case of shortfall in NWC/excess borrowings, the Bank will charge penal interest @1.00% per annum over and above the normal interest rate applicable. In case of non compliance of current stipulations within the stipulated year, penal rate of interest@ 1% p.a. over and above the normal interest rate will be charged on entire outstanding for the year of delay. Irregularity in fund based Limits: @ 2% per annum on the entire outstanding for the year of irregularity on the irregular portion for the year of irregularity. However, in case the account is continuously irregular for the year beyond 60 days, penal rate of interest will be charged on the entire outstanding from the 61st day onwards. Non-submission of renewal data including Audited Balance Sheet: Listed Companies if not submitted within 7 months-₹10,000/-per month of delay. For others, if not submitted within 9 months of delay-₹10,000/-per month.
ICICI Bank Limited	In such event of default, bank is either of facility at liberty to recall all the facility extended to the company. 1 % (The rate will be over and deemed to be an event of above the interest rate of the default for all other facility facility) on the limit amount for the delayed year will be charged for the company for the default year.
HDFC Bank Limited	The bank reserves the right to charge an additional 2% per annum interest rate over and above the normal interest rate on the outstanding amount in case of non-submission of renewal documents. Commitment charges @0.50% per annum to be charged on quarterly basis on the entire unutilized portion if average utilization is less than 60%.

** Unsecured loans from directors and their relatives carried interest @ 7.90% per annum (31 March 2020: 8.25% per annum). These loans were subordinate to the term loans from State Bank of India Limited and have been repaid after the closure of the loan facilities from State Bank of India Limited during the year ended 31 March 2021. Refer note 47 on transactions with related parties.

Notes to Standalone Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

27 TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	**46.14**	53.62
Total outstanding dues of creditors other than micro enterprises and small enterprises**	**505.02**	399.32
	551.16	452.94

* Refer note 45 for disclosures required under MSMED Act.

** Includes dues to related parties (refer note 47)

28 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term debt (refer note 22)	**124.16**	274.61
Interest accrued but not due on borrowings	**2.07**	2.41
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises*	**16.42**	15.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	**48.90**	14.08
Security and other trade deposits	**29.79**	24.53
Forward exchange contracts used for hedging	**-**	12.50
	221.34	343.74

* Refer note 45 for disclosures required under MSMED Act.

29 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income		
Government grants (refer note 25)	**20.86**	17.48
Advances from customers (Contract liability)	**41.02**	25.78
Refund liability	**17.47**	-
Statutory dues payable	**18.77**	16.74
Employee payable*	**84.91**	74.10
	183.03	134.10

*Includes dues to related parties (refer note 47)

30 PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits: (refer note 46)		
Compensated absences	**1.61**	1.39
Gratuity	**3.14**	2.40
Others:		
Provision for litigation (refer note (a))	**25.14**	145.42
Provision for sales return (refer note (b))	**-**	7.58
	29.89	156.79

(All amounts are in rupees million, unless otherwise stated)

(a) Provision for litigation*

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the commencement of the year	**145.42**	131.28
Add: Provision made during the year	**4.52**	14.14
Less: Provision utilised/reversed during the year	**(124.80)**	-
Balance at the end of the year	**25.14**	145.42

*refer note 42A(d) for details of pending litigation.

(b) Provision for sales return

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the commencement of the year	**7.58**	6.97
Add: Provision made during the year**	**-**	7.58
Less: Provision utilised/reversed during the year	**(7.58)**	(6.97)
Balance at the end of the year	**-**	7.58

** This represents provision made for possible sales returns by the customers for sales made by the Company, as estimated on the basis of past trends.

31 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax (net of advance tax)	**15.47**	18.74
	15.47	18.74

32 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products *	**7,658.35**	6,322.15
Sale of services		
Job work income**	**410.25**	471.16
Total (A)	**8,068.60**	6,793.31
Other operating revenue		
Export incentives (refer note 18)	**153.84**	147.92
Net gain on account of foreign exchange fluctuations	**37.49**	37.40
Sale of scrap	**42.00**	33.15
Others**	**75.76**	65.63
Total (B)	**309.09**	284.10
Total revenue from operations (A + B)	**8,377.69**	7,077.41

Reconciliation of revenue recognized with the contracted price is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contracted price	**8,478.36**	7,104.36
Reductions towards variable consideration components	**409.76**	311.05
Revenue recognised	**8,068.60**	6,793.31

(All amounts are in rupees million, unless otherwise stated)

Contract Balances

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ sale of goods. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards sale of goods. Revenue is recognised once the performance obligation is met i.e. on sale of goods.

Particulars	As at 31 March 2021	As at 31 March 2020
Contract liabilities		
- Advances from customer	**41.02**	25.78
- Refund liability	**17.47**	-
Contract Assets		
- Receivables, which are included in trade receivables	**675.83**	731.38

Note: Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue and contract assets are converted into cash/trade receivables within the same operating cycle.

* Also refer note 43

** Also refer note 44

33 OTHER INCOME

Particulars	As at 31 March 2021	As at 31 March 2020
Interest income from financial assets at amortized cost	**16.33**	4.14
Interest income from others	**0.89**	1.30
Government grants (refer note 25)	**23.69**	18.82
Net profit on sale/write off of property, plant and equipment	**-**	0.45
Dividend income	**-**	45.38
Liabilities no longer required written back*	**55.84**	-
Other miscellaneous income**	**1.61**	1.01
	98.36	71.10

* Also refer note 42.

** Also refer note 44.

34 COST OF MATERIALS CONSUMED

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials (including purchased components and packing material consumed)		
Opening inventories	**198.96**	158.49
Add: Purchases (net)	**4,532.41**	3,868.22
Less: Closing inventories	**265.23**	198.96
	4,466.14	3,827.75

35 PURCHASE OF STOCK-IN-TRADE

Particulars	As at 31 March 2021	As at 31 March 2020
Purchase of stock-in-trade	**6.30**	3.70
	6.30	3.70

(All amounts are in rupees million, unless otherwise stated)

36 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN- TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening inventories		
Finished goods	**192.07**	146.35
Work-in-progress	**0.48**	3.08
Stock-in-trade	**0.42**	-
Total (A)	**192.97**	149.43
Closing inventories		
Finished goods	**259.29**	192.07
Work-in-progress	**1.41**	0.48
Stock-in-trade	**-**	0.42
Total (B)	**260.70**	192.97
Total (A-B)	**(67.73)**	(43.54)

37 EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March 2021	As at 31 March 2020
Salaries and wages	**1,112.72**	1,027.02
Contribution to provident and other funds (refer note 46)	**55.06**	52.97
Share-based payment to employees (refer note 48)	**0.90**	-
Staff welfare expenses	**32.30**	27.01
	1,200.98	1,107.00

38 FINANCE COSTS

Particulars	As at 31 March 2021	As at 31 March 2020
Interest expense on financial liabilities measured at amortised cost :		
Loan from banks	**79.33**	123.39
Lease liabilities (refer note 6)	**1.64**	2.91
Others	**14.23**	24.09
	95.20	150.39

Also refer note 4

39 DEPRECIATION AND AMOTISATION EXPENSE

Particulars	As at 31 March 2021	As at 31 March 2020
Depreciation on property, plant and equipment	**402.31**	362.74
Depreciation on right-of-use-assets (refer note 6)	**11.34**	17.83
Amortisation on intangible assets	**5.72**	5.84
	419.37	386.41

(All amounts are in rupees million, unless otherwise stated)

40 OTHER EXPENSES

Particulars	As at 31 March 2021	As at 31 March 2020
Rent (refer note 6 and note 44)	**18.99**	17.13
Rates and taxes	**10.19**	9.63
Power and fuel #	**358.75**	359.88
Repair and maintenance:		
Plant and machinery	**61.44**	54.95
Buildings	**7.82**	7.23
Others	**7.44**	7.70
Travelling and conveyance #	**57.35**	86.82
Payment to auditor (refer note (a) below)	**5.88**	5.27
Legal and professional fees	**13.62**	18.07
Printing and stationery	**3.01**	3.42
Advertisement and sales promotion	**104.38**	123.60
Consumption of stores and spare parts	**36.32**	37.46
Commission and brokerage	**6.46**	4.88
Communication costs	**7.54**	9.49
Directors' remuneration	**53.26**	49.29
Freight and forwarding	**593.35**	443.58
Insurance	**20.04**	12.63
Net loss on sale of property, plant and equipment	**0.44**	-
Allowances on trade receivable and other advances	**42.67**	71.18
Bank charges #	**3.72**	5.50
Expenditure on Corporate social responsibility (refer note 53)	**9.94**	1.18
Miscellaneous expenses #	**22.41**	41.91
	1,445.02	1,370.80

(a) Payment to auditors*

Particulars	As at 31 March 2021	As at 31 March 2020
As auditor		
Statutory audit	**5.55**	4.70
Certification	**0.10**	0.20
Reimbursement of expenses	**0.23**	0.37
	5.88	5.27

* Excludes fees paid to statutory auditor of ₹17.17 (previous year - Nil) including reimbursement of expenses amounting ₹0.67 (previous year - Nil) for IPO related expenses,. Also refer note 55.

Also refer note 4

(All amounts are in rupees million, unless otherwise stated)

41 EARNING PER SHARE (EPS)

A. Basic earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
i. Profit for basic earning per share of ₹10 each		
Profit for the year	**678.20**	282.10
ii. Weighted average number of equity shares for (basic)		
Balance at the beginning of the year	**57.26**	57.26
Effect of issue of shares	**0.39**	-
Effect of issue of ESOP shares	**0.02**	-
	57.67	57.26
Basic Earnings per share (face value of H10 each)	**11.76**	4.93

B. Diluted earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
i. Profit for diluted earning per share of ₹10 each		
Profit for the year	**678.20**	282.10
ii. Weighted average number of equity shares for (diluted)		
Balance at the beginning of the year	**57.26**	57.26
Effect of issue of shares	**0.39**	-
Effect of issue of ESOP shares	**0.02**	-
Effect of employee stock options	**0.04**	0.06
	57.71	57.32
Diluted Earnings per share (face value of ₹10 each)	**11.75**	4.92

42 CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

A. Contingent Liabilities

On the basis of current status of below-mentioned individual cases and as per legal advice obtained by the Company, wherever applicable, the Company is confident that the outcome in the below cases would be in the favour of the Company and is of view that no provision is required in respect of these cases.

a. Claims against the Company not acknowledged as debts (The Company expects a favorable outcome against all the cases):

Particulars	As at 31 March 2021	As at 31 March 2020
I Income Tax related matters	**38.10**	**31.03**
i) Relating to Income tax demand on certain disallowance for AY 2010-11*	**0.00**	0.00
ii) Relating to Income tax demand on certain disallowance for AY 2011-12	**0.13**	0.13
iii) Relating to Income tax demand on certain disallowance for AY 2013-14	**1.83**	1.83
iv) Relating to Income tax demand on certain disallowance for AY 2015-16	**0.18**	0.18
v) Relating to Income tax demand on certain disallowance for AY 2017-18	**28.89**	28.89
vi) Relating to Income tax demand on certain disallowance for AY 2018-19	**7.07**	-

* The total amount of income tax demand in absolute value is ₹4,238, but for reporting purpose rounded upto ₹0.00 million.

Notes to Standalone Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
II Sales tax related matters		
i) Sales Tax demand for assessment year 2005-06 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	**3.01**	3.01
ii) Sales Tax demand for assessment year 2006-07 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	**4.83**	-

Particulars	As at 31 March 2021	As at 31 March 2020
III Civil matters		
i) Stamp duty case for the plot taken on 99 years lease in Noida	**9.10**	9.10

b. In respect of bank guarantees

Particulars	As at 31 March 2021	As at 31 March 2020
Guarantees given by the Company	**-**	8.35

c. Others

Particulars	As at 31 March 2021	As at 31 March 2020
i) Differential amount of Customs Duty payable by the Company in case of non fulfilment of export obligation against the import of capital goods made at concessional rate of duty. Based on the past sales performance and the future sales plan, management is quite hopeful to meet out the obligations by executing the required volume of exports in future.	**26.63**	76.08
ii) Customs Duty saved against Bonded Manufacturing Scheme (MOOWR scheme) on import of capital goods. The Company has submitted bonds to government of ₹308.90 million (previous year - Nil) which represents three times of duty saved. Duty will be payable in case of domestic sale of capital goods. Based on Company's assessment of use of capital goods, management is quite hopeful that liability will not arise for the same.	**102.83**	-
iii) Impact of bonus due to restrospective amendment in the Payment of Bonus Act, 1965 for the financial year 2014-15 since matter is sub-judice in similar case.	**10.27**	10.27

The Company had entered into lease agreement with M.P Audyogik Kendra Vikas Nigam Indore Ltd (authorities) on 12 Feb 2018 for lease of land in Industrial Park, Distt Dhar (M.P). As per agreement, the Company had proposed to invest ₹2,500 by 2021-22. The Company has sought an extension for 3 years (i.e. till 20 March 2025) to start the production due to Covid-19 and major economic disruption. Management is in the process of getting the acknowledgement from the relevant authorities on the approval of extension. As per a legal opinion obtained by the Company, no penalty can be imposed by the authorities upon the Company subject to the condition that plant and machineries are ready for production by 20 March 2022 i.e. within 4 years of taking possession of the said land.

(All amounts are in rupees million, unless otherwise stated)

d. Other pending litigations

(a) The Company had obtained a stay against Himachal Pradesh Government order levying entry tax @ 2% on goods entering the state. The same was reduced to 1% with effect from 13 July 2011 and thereafter increased to 2% with effect from 1 March 2014. The Hon'ble High Court had stayed the matter in an earlier year. The Company had provided for the estimated amount of entry tax including interest in the books of account. During the year ended 31 March 2021, the Company has opted for the H.P. (Legacy Cases Resolution) Scheme 2019 and paid ₹65.70 as full and final settlement towards the entry tax liability as against ₹123.79 provision in the books of account. Accordingly, an amount of ₹55.43 has been written back and disclosed under "Liabilities no longer required written back" in Other Income and an amount of ₹2.60, representing interest accrued on the principal amount for the current year, has been netted from "Others" in Finance costs.

The estimated amount of entry tax as at 31 March 2020 was ₹121.13 (including interest of ₹61.89) which was provided in the books of accounts. The Company had also provided a bank guarantee for an amount of ₹39.41 as at 31 March 2020 in this regard which had been subsequently being released.

(b) The Company had obtained a stay against Punjab VAT Act levying entry tax on Furnace Oil on the basis of High Court judgment delivered on the same point in an another case which is pending before Supreme Court. The estimated amount of tax and interest thereon upto 31 March 2021 of ₹4.52 (31 March 2020 ₹4.22) (including interest of ₹2.82 (31 March 2020 ₹2.53)) has been provided in the books of accounts.

(c) A demand of ₹2.37 and ₹3.75 related with FY 2008-09 and FY 2009-10 respectively is pending with DETC, Ludhiana. The matter is related with input tax credit claimed by assessee on purchase of HSD. The Company has demanded to start the proceeding without depositing the 25% of amount demanded. The department rejected the appeal of the Company. The Company filed the writ petition in High Court which accepted the contention of assessee & remanded the case back to DETC, Ludhiana. The Company had created the provision in books for amount demanded and has also accrued the interest @ 1.5% per month. Therefore the provision for an amount of ₹5.77 (31 March 2020 ₹5.35) and ₹9.78 (31 March 2020 ₹9.10) includes an interest of ₹3.40 (31 March 2020 ₹2.98) and ₹6.03 (31 March 2020 ₹5.35) respectively.

(d) A demand of ₹1.91 (31 March 2020 ₹1.91), 1.60 (31 March 2020 ₹1.60) and 0.09 (31 March 2020 ₹Nil) for assessment year 2013-14, 2014-15 and 2016-17 respectively on account of pending C forms and F forms raised by Deputy Commissioner, Gautam Budh Nagar Noida, Uttar Pradesh pending to be deposited with the sales tax department has been provided for in the books of accounts.

(e) A demand of ₹0.12 (31 March 2020 ₹0.12), 0.82 (31 March 2020 ₹0.82) and 0.15 (31 March 2020 ₹0.15) for assessment year 2011-12, 2012-13 and 2013-14 respectively on account of pending C forms and F forms raised by VAT Officer, Delhi pending to be deposited with the sales tax department has been provided for in the books of accounts.

(f) A demand of ₹Nil (31 March 2020 ₹0.01), Nil (31 March 2020 ₹0.25) and Nil (31 March 2020 ₹0.46) for assessment year 2012-13, 2013-14 and 2014-15 respectively on account of pending C forms and F forms raised by Assistant Commissioner, Vanasthalipuram, Telegana pending to be deposited with the sales tax department was provided for in the books of accounts.

(g) A demand of ₹Nil (31 March 2020 ₹0.30) and ₹0.38 (31 March 2020 ₹Nil) for assessment year 2014-15 and 2015-16 respectively on account of pending C forms and F forms raised by Deputy Commissioner, Raigad, Maharashtra pending to be deposited with the sales tax department has been provided for in the books of accounts.

e. The selling shareholders have confirmed that the total IPO expenses incurred by the Company till date amounting to ₹265.17 (₹69.78 till the year ended 31 March 2020) and future expenses, including any tax reimbursements incurred by the Company will be shared between the Company and the selling shareholders in proportion to the number of shares issued in case of a fresh issue or offered for sale portion of the IPO by such selling shareholders. These expenses have been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. Management has assessed the deemed dividend implications under section 2(22)(e) of the Income-tax Act, 1961 ('the Act') limited to the share of expenses incurred by the Company on behalf of the shareholders. Based on legal consultations and in absence of any judicial precedents directly on the issue, management believes that there is no deemed dividend implication in the transaction under Income tax act and accordingly has not paid / provided for any amount for deemed dividend tax on these IPO expenses.

(All amounts are in rupees million, unless otherwise stated)

f. Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and year from which the same applies. The Company has assessed that there was no impact of the same for current year since providend fund was already deducted on such special allowance for current year.

Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Company had not recognised any provision for the years prior to 28 February 2019. Further, management also believes that the impact of the same on the Company will not be material.

B. Contingent Assets

The Company has filed for receiving grant from Ministry of Food Processing Industries under Scheme for Cold Chain and Value Addition Infrastructure amounting to ₹96.88. The Company has received grant amounting to ₹61.81 till period ended 31 March 2021 (₹61.81 till the year ended 31 March 2020). This grant is conditional upon fulfillment of conditions specified in the scheme and as approved by the authorities. The Company expects that it is more likely than not that it will receive the balance instalment of grant amounting to ₹35.07 in future periods as and when approved.

C. Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹33.23 (as on 31 March 2020 ₹326.93).

43 SEGMENT REPORTING

Basis for segmentation

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure.

Operating Segments

The Company's Board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger and acquisition, and expansion of any new facility.

In the opinion of the Board, there is only one reportable segment ("Revenue from food products"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

Entity wide disclosures

A. Information about products and services

i) Revenue comprises :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from food products*	**8,068.60**	6,793.31
Total	**8,068.60**	6,793.31

*excludes other operating revenues.

B. Information about geographical areas

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Company's revenues and receivables by geographical market, regardless of where the goods were produced:

(All amounts are in rupees million, unless otherwise stated)

i) Revenue from external customers:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Within India	**6,030.30**	5,312.94
Outside India	**2,038.30**	1,480.37
Total	**8,068.60**	6,793.31

ii) Receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Within India	**448.40**	545.84
Outside India	**227.43**	185.54
Total	**675.83**	731.38

iii) Non-current assets

The Company has common non-current assets for producing goods/ providing services to domestic and overseas markets. Hence, separate figures for other assets/ additions to property, plant and equipment have not been furnished.

C. Information about major customers (from external customers)

During the year ended 31 March 2021, Company does not have transactions with any single external customer having 10% or more of its revenue. (₹Nil for the year ended 31 March 2020).

D. Disaggregation of revenue

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition.

Contract	For the year ended 31 March 2021	For the year ended 31 March 2020
6 months or less	**8,068.60**	6,793.31
Total	**8,068.60**	6,793.31
Major product/ service line		
Sale of products	**7,658.35**	6,322.15
Sale of services		
Job work income	**410.25**	471.16
Total revenue	**8,068.60**	6,793.31

E. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Duration	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in trade receivables	**675.83**	731.38
Contract liabilities	**41.02**	25.78
Refund liability	**17.47**	-

(All amounts are in rupees million, unless otherwise stated)

44 LEASES

A. Leases as lessee

a) The Company has taken various residential, office, warehouse and shop premises under lease agreements.

b) The aggregate lease rentals payable are disclosed in note 6 and note 40.

i. Leases as lessor

Operating leases

The Company has leased out a part of its building, plant and machinery under a job work arrangement. In addition, certain office premises have also been leased out. All these arrangements are under short term cancelable operating leases of less than 12 months.

Amounts recognised in profit or loss

During the year ended 31 March 2021, lease rentals of ₹73.30 (31 March 2020: ₹56.51) have been included in other operating revenue / other income (refer note 32 and 33). There is a contingency attached to the future lease income and are therefore can not be ascertained.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income generated from lease of building, plant and machinery under job work arrangement	**73.10**	56.22
Income generated from office premises lease	**0.20**	0.29

45 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	**45.31**	52.83
Capital creditors	**12.24**	11.79
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	**0.83**	0.79
Capital creditors	**4.18**	3.82
The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	**-**	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	**-**	-
The amount of interest accrued and remaining unpaid at the end of the year		
Trade payables	**0.83**	0.79
Capital creditors	**4.18**	3.82
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
Trade payables	**0.83**	0.79
Capital creditors	**4.18**	3.82

(All amounts are in rupees million, unless otherwise stated)

46 EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans.

(i) Defined Contribution Plans:

Provident fund

The Company makes contribution towards provident fund for employees. The Company's contribution to the Employees Provident Fund is deposited to the government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.The contribution payable to the plan by the Company is at the rate specified under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss (included in note 37-Employee benefits expense):

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to provident fund	**45.31**	42.16

(ii) Defined benefit plan:

Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. This scheme is funded by the plan assets.

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India and State bank of India Life Insurance. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to no ceiling. Vesting occurs upon completion of 5 years of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each year of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021 and 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Duration	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability		
Liability for gratuity	**52.31**	40.79
Total employee benefit liabilities	**52.31**	40.79
Non-current	**49.17**	38.39
Current	**3.14**	2.40

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (assets)/ liability and its components:

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2021 Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April 2020	**94.05**	**53.26**	**40.79**
Included in Profit or Loss			
Current service cost	16.92	-	16.92
Interest cost (income)	6.51	3.68	2.83
Past service cost	-	-	-
	23.43	**3.68**	**19.75**
Included in OCI			
Remeasurement loss (gain)			
- financial assumptions	**1.52**	**(0.58)**	**2.10**
- demographic adjustments	**-**	**-**	**-**
- experience adjustment	**(1.29)**	**-**	**(1.29)**
	0.23	**(0.58)**	**0.81**
Other			
Return			
Contributions paid by the employer	**-**	**7.00**	**(7.00)**
Benefits paid	**(5.02)**	**(2.98)**	**(2.04)**
	(5.02)	**4.02**	**(9.04)**
Balance as at 31 March 2021	**112.69**	**60.38**	**52.31**

Particulars	For the year ended 31 March 2020 Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April 2019	**71.37**	**45.55**	**25.82**
Included in Profit or Loss			
Current service cost	15.17	-	15.17
Interest cost (income)	5.47	3.48	1.99
Past service cost	-	-	-
	20.64	**3.48**	**17.16**
Included in OCI			
Remeasurement loss (gain)			
- financial assumptions	8.27	(0.77)	9.04
- demographic adjustments	0.05	-	0.05
- experience adjustment	(1.11)	-	(1.11)
	7.21	**(0.77)**	**7.98**
Other			
Return			
Contributions paid by the employer	-	5.00	(5.00)
Benefits paid	(5.17)	-	(5.17)
	(5.17)	5.00	(10.17)
Balance as at 31 March 2020	94.05	53.26	40.79

C. Plan Assets

Plan assets comprise of the following

Particulars	As at 31 March 2021	As at 31 March 2020
Investments with Life insurance corporation	**85.13%**	84.27%
Investments with SBI life insurance	**14.87%**	15.73%

(All amounts are in rupees million, unless otherwise stated)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

D. Actuarial assumptions

a) Economic assumptions

The following were the principal actuarial assumptions at the reporting date. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:-

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	**6.80%**	6.91%
Expected rate of future salary increase	**7.00%**	7.00%

b) Demographic assumptions

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company , business plan, HR Policy etc. as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the company.

	Particulars	As at 31 March 2021	As at 31 March 2020
i)	Retirement age (years)	**60**	60
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	
iii)	Attrition at Ages	**Withdrawal rate (%)**	Withdrawal rate (%)
	Upto 30 years	**3.00%**	3.00%
	From 31 to 44 years	**2.00%**	2.00%
	Above 44 years	**1.00%**	1.00%

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	**(6.77)**	**7.44**	(5.73)	6.31
Expected rate of future salary increase (0.50% movement)	**7.21**	**(6.62)**	6.12	(5.62)

Sensitivities due to mortality and withdrawals are not material and hence impact of change has not been calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(All amounts are in rupees million, unless otherwise stated)

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2021	As at 31 March 2020
Duration of defined benefit payments		
Less than 1 year	**3.14**	2.40
Between 1-2 years	**6.24**	2.89
Between 2-5 years	**13.55**	12.36
Over 5 years	**89.76**	76.40
Total	**112.69**	94.05

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 17.50 years (31 March 2020: 17.65 years).

Expected contribution to post-employment benefit plans in the next year is ₹24.12 (31 March 2020: ₹21.53).

G. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow-

a) **Salary Increases**- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) **Investment Risk** – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) **Discount Rate**: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) **Mortality & disability** – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) **Withdrawals** – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(iii) Other long-term employee benefits:

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the year in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such year, the benefit is classified as a long-term employee benefit. during the year ended 31 March 2021, the Company has incurred an expense on compensated absences amounting to ₹5.63 (31 March 2020 ₹8.84). The Company determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

47 RELATED PARTIES

A. Related parties and nature of relationship where control exists:

Subsidiaries

Bakebest Foods Private Limited

Mrs. Bectors English Oven Limited

Associate

Cremica Agro Foods Limited

(All amounts are in rupees million, unless otherwise stated)

B. Key Managerial Personnel (KMP)

Anoop Bector	Managing Director
Ishaan Bector	Director
Parveen Kumar Goel	Executive Director and CFO
Nem Chand Jain	Independent Director till 16 March 2021
Subhash Agarwal	Independent Director
Rajeev Dewan	Independent Director
Rajni Bector	Non-executive Director till 31 March 2021
Tarun Khanna	Additional Director w.e.f. 14 February 2020 till 5 February 2021
Rahul Goswamy	Nominee Director
Pooja Luthra	Additional Director w.e.f. 19 September 2020

C. Relatives of key management personnel having transactions with the Company

	Anoop Bector	Ishaan Bector
Father	Dharamvir Bector *	Anoop Bector
Mother	Rajni Bector	Rashmi Bector
Spouse	Rashmi Bector	Neha Gupta Bector
Brother	Akshay Bector #	Suvir Bector
	Ajay Bector #	
Son	Ishaan Bector	-
	Suvir Bector	-

* Deceased on 26 December 2017.

Ceased to be related party w.e.f 8 December 2015 and 25 December 2014 respectively.

D. Related entities of KMP

Partnership firms

Sunshine Foods

Public/Private Limited Companies

Mrs. Bectors Cremica Dairies Private Limited

Hindu Undivided Family

Dharamvir and Sons (HUF)

Anoop Bector (HUF)

Parveen Goel (HUF)

E. Key management personnel compensation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits	**62.28**	56.78
Post-employment defined benefit	**0.34**	0.49
Director sitting fees	**0.43**	0.23
Share based payment to employees	**-**	0.11
Total compensation	**63.05**	57.61

(All amounts are in rupees million, unless otherwise stated)

F. Transactions with related parties*

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these entities transacted with the Company during the reporting year. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis. The aggregate value of the Company's transactions relating to key management personnel and entities over which they have control or significant influence is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of goods		
-Bakebest Foods Private Limited	**0.27**	0.23
Sale of goods		
- Bakebest Foods Private Limited	**0.15**	0.27
Purchase of property, plant and equipment		
- Bakebest Foods Private Limited	**1.06**	0.72
Sale of property, plant and equipment		
- Bakebest Foods Private Limited	**0.04**	-
Shares allotted under employee stock option scheme		
- Parveen Kumar Goel	**2.25**	-
Reimbursement of IPO expense received		
- Anoop Bector	**2.95**	-
Unsecured loan taken from		
- Anoop Bector	**-**	30.00
- Ishaan Bector	**-**	2.50
Unsecured loan repaid to		
- Anoop Bector	**14.02**	37.98
- Ishaan Bector	**1.39**	1.42
- Rajni Bector	**0.03**	0.16
Finance cost on loan taken		
- Anoop Bector	**0.25**	1.09
- Ishaan Bector	**0.02**	0.03
- Rajni Bector	**0.00**	0.00
Others		
Rent paid		
- Anoop Bector	**4.62**	4.62
- Anoop Bector HUF	**3.00**	3.00
- Bakebest Foods Private Limited	**0.06**	0.06
Consultancy charges paid		
- Subhash Agarwal	**0.45**	0.51
Rent received		
- Bakebest Foods Private Limited	**0.06**	0.06
- Mrs. Bectors English Oven Limited	**0.01**	0.01
- Cremica Agro Foods Limited	**0.06**	0.06
- Mrs. Bectors Cremica Dairies Private Limited	**0.05**	0.12

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to provident and other funds		
- Rashmi Bector	**0.96**	1.13
- Neha Gupta Bector	**0.60**	0.55
- Suvir Bector	**1.06**	0.70
Interim dividend paid		
- Anoop Bector	-	17.14
- Anoop Bector HUF	-	1.50
- Ishaan Bector	-	1.79
- Rashmi Bector	-	0.91
- Suvir Bector	-	1.19
Dividend received		
- Bakebest Foods Private Limited	-	45.38
Salary paid		
- Rashmi Bector	**8.25**	10.20
- Neha Gupta Bector	**5.10**	4.80
- Suvir Bector	**9.00**	6.00

* Transactions are net off goods and services tax wherever applicable.

G. Related party balances as at year end:

Outstanding Balances	As at 31 March 2021	As at 31 March 2020
Trade and other payables		
- Anoop Bector	**2.98**	1.09
- Anoop Bector HUF	**0.26**	-
- Ishaan Bector	**0.85**	0.42
- Parveen Kumar Goel	**0.90**	0.36
- Rashmi Bector	**0.04**	0.76
- Neha Gupta Bector	**0.28**	0.00
- Suvir Bector	**0.40**	0.23
Unsecured loans		
- Anoop Bector	-	13.79
- Ishaan Bector	-	1.37
- Rajni Bector	-	0.03
Advances and other receivables		
- Bakebest Foods Private Limited	-	0.30
- Cremica Agro Foods Limited	**0.04**	0.04
- Mrs. Bectors English Oven Limited	**0.01**	0.01
- Mrs. Bectors Cremica Dairies Private Limited	**0.13**	0.07
Non current investments		
- Bakebest Foods Private Limited	**181.50**	181.50
- Mrs. Bectors English Oven Limited	**0.50**	0.50
- Cremica Agro Foods Limited	**17.09**	17.09

Note : Refer note 18 for IPO expenses recoverable from selling shareholders.

In the opinion of the management, all transactions were made on normal commercial terms and conditions and at arm's length price.

(All amounts are in rupees million, unless otherwise stated)

48 SHARE-BASED PAYMENT TO EMPLOYEES

A. Description of share-based based payment to employees

i. Share option programme (equity-settled)

On 31 December 2017, the Company established share option programme that entitle certain employees of the Company to purchase shares in the Company. Under these plans, holders of vested options are entitled to purchase shares at the exercise price of the shares at respective date of grant of options. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	42,951	349.24	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	27,920	349.24	3 years and 9 months service from grant date	Service conditions

On 14 July 2017, the Company modified share option programme by entitling grant holders of the Company for bonus shares in the Company in the ratio of 1:1.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	85,902	174.62	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	55,840	174.62	3 years and 9 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 3)	1-Oct-2018	34,359	174.62	2 years and 6 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 4)	19-Sep-2020	11,454	174.62	1 year and 8 months service from grant date	Service conditions

B. Measurement of fair values

i. Equity-settled share-based based payment to employees

The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

	Employees Stock Option Plan - 2017 (Grant 1)	Employees Stock Option Plan - 2017 (Grant 2)	Employees Stock Option Plan - 2017 (Grant 3)	Employees Stock Option Plan - 2017 (Grant 4)
Fair value of options at grant date	124.01	143.94	75.12	71.62
Enterprise value per share ar grant date	347.08	347.08	190.00	203.55

(All amounts are in rupees million, unless otherwise stated)

	Employees Stock Option Plan - 2017 (Grant 1)	Employees Stock Option Plan - 2017 (Grant 2)	Employees Stock Option Plan - 2017 (Grant 3)	Employees Stock Option Plan - 2017 (Grant 4)
Exercise price at the grant date	349.24	349.24	174.62	174.62
Exercise price after bonus issue	174.62	174.62	174.62	174.62
Expected volatility (weighted-average)	34.11%	34.56%	27.12%	51.49%
Expected life (weighted-average)	2 years	3 years	2 years	2 years
Expected dividends	0.27%	0.27%	0.00%	0.37%
Risk-free interest rate (based on government bonds)	6.36%	6.44%	8.02%	4.48%

Note

1. The fair value of options has been done by an independent merchant banker on the date of grant using the Black-Scholes Model.
2. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programme were as follows:

	31 March 2021		31 March 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees Stock Option Plan-2017				
Options outstanding at the beginning of the year	**1,31,417**	**174.62**	1,75,801	174.62
Add: Options granted during the year	**11,454**	**174.62**	-	-
Add: Options increased due to bonus share	**-**	**-**	-	-
Less: Options forefeited during the year	**-**	**-**	44,384	174.62
Less: Options exercised during the year	**70,000**	**174.62**	-	-
Less: Options expired during the year	**-**	**-**	-	-
Options outstanding at the end of the year	**72,871**	**174.62**	1,31,417	174.62
Exercisable at the end of the year	**38,748**	**174.62**	53,150	174.62

The options outstanding at 31 March 2021 had an exercise price of ₹174.62 and a weighted-average contractual life of 1.29 years.

D. Expense recognised in statement of profit and loss

For details of the employee benefit expenses, refer note 37.

49 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Accounting classifications and fair values

A. Financial instruments by categories :

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Non-current loans	**-**	**33.51**	-	33.22
Other non-current financial assets	**-**	**0.11**	-	0.26
Investments	**-**	**61.71**	-	-
Trade receivables	**-**	**675.83**	-	731.38
Cash and cash equivalents	**-**	**312.62**	-	202.97

(All amounts are in rupees million, unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Bank balances other than cash and cash equivalents	-	**449.52**	-	55.69
Current loans	-	**27.03**	-	3.57
Other current financial assets	**7.24**	**219.30**	-	178.90
	7.24	**1,779.63**	-	1,205.99
Financial liabilities				
Non-current borrowings	-	**1,148.30**	-	856.53
Short term borrowings	-	**32.52**	-	180.51
Non-current lease liabilities	-	**9.80**	-	15.38
Current lease liabilities	-	**5.58**	-	11.43
Trade payables	-	**551.16**	-	452.94
Other financial liabilities	-	**221.34**	12.50	331.24
	-	**1,968.70**	12.50	1,848.03

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	7.24	-	7.24

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current loans	-	-	33.51	33.51
Other non-current financial assets	-	-	0.11	0.11
Investments	-	-	61.71	61.71
Trade receivables	-	-	675.83	675.83
Cash and cash equivalents	-	-	312.62	312.62
Bank balances other than cash and cash equivalents	-	-	449.52	449.52
Current loans	-	-	27.03	27.03
Other current financial assets	-	-	219.30	219.30
Total financial assets	**-**	**-**	**1,779.63**	**1,779.63**
Financial liabilities				
Non-current borrowings	-	-	1,148.30	1,148.30
Short term borrowings	-	-	32.52	32.52
Non-current lease liabilities	-	-	9.80	9.80
Current lease liabilities	-	-	5.58	5.58
Trade payables	-	-	551.16	551.16
Other financial liabilities	-	-	221.34	221.34
Total financial liabilities	**-**	**-**	**1,968.70**	**1,968.70**

(All amounts are in rupees million, unless otherwise stated)

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	(12.50)	-	(12.50)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current loans	-	-	33.22	33.22
Other non-current financial assets	-	-	0.26	0.26
Trade receivables	-	-	731.38	731.38
Cash and cash equivalents	-	-	202.97	202.97
Bank balances other than cash and cash equivalents	-	-	55.69	55.69
Current loans	-	-	3.57	3.57
Other current financial assets	-	-	178.90	178.90
Total financial assets	**-**	**-**	**1,205.99**	**1,205.99**
Financial liabilities				
Non-current borrowings	-	-	856.53	856.53
Short term borrowings	-	-	180.51	180.51
Non-current lease liabilities	-	-	15.38	15.38
Current lease liabilities	-	-	11.43	11.43
Trade payables	-	-	452.94	452.94
Other financial liabilities	-	-	331.24	331.24
Total financial liabilities	**-**	**-**	**1,848.03**	**1,848.03**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices/ NAV published.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Particulars	Level	Fair value		Amortised cost	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Non-current borrowings (including current maturities)*	3	1,276.00	1,127.28	1,274.53	1,133.55

*The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

Valuation process

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes for level 3 fair values. The Company relies on them for instruments measured using level 1 valuation The Company using quoted price/ NAV's published, for the derivative instruments measured using level fair values, the Company obtains the valuation from the bank from whom the derivatives are taken. This team reports directly to the Chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every year in line with the Company's reporting year.

(All amounts are in rupees million, unless otherwise stated)

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Non-current loans	**33.51**	**33.51**	33.22	33.22
Other non-current financial assets	**0.11**	**0.11**	0.26	0.26
Investments	**61.71**	**61.71**	-	-
Trade receivables	**675.83**	**675.83**	731.38	731.38
Cash and cash equivalents	**312.62**	**312.62**	202.97	202.97
Bank balances other than cash and cash equivalents	**449.52**	**449.52**	55.69	55.69
Current loans	**27.03**	**27.03**	3.57	3.57
Other current financial assets	**219.30**	**219.30**	178.90	178.90
	1,779.63	**1,779.63**	1,205.99	1,205.99
Financial liabilities				
Non current borrowings	**1,148.30**	**1,148.30**	856.53	856.53
Short term borrowings	**32.52**	**32.52**	180.51	180.51
Total financial liabilities	**9.80**	**9.80**	15.38	15.38
Current lease liabilities	**5.58**	**5.58**	11.43	11.43
Trade payables	**551.16**	**551.16**	452.94	452.94
Other current financial liabilities	**221.34**	**221.34**	331.24	331.24
	1,968.70	**1,968.70**	1,848.03	1,848.03

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, short-term borrowings, trade payables, other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current borrowings represents approximate to the fair values. Accordingly, the same has not been discounted.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

II. Financial risk management

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's internal auditor oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

i. 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 resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard payments and delivery terms & conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

A default on a financial asset is when counterparty fails to make payments within 90 days when they fall due.

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Security deposits

The Company furnished security deposits to its lessors for obtaining the premises on lease and margin money deposits to banks. The Company considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Company expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

Loss allowance as per expected credit loss

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets for which loss allowance is measured using Expected Credit Losses		
Trade receivables	**760.63**	831.28
Export incentives receivables	**139.19**	100.03

(All amounts are in rupees million, unless otherwise stated)

Recociliation of loss allowance provision

Particulars	Trade Receivables	Export Receivables	Total
Loss Allowance on 1 April 2019	**42.10**	**4.02**	**46.12**
Change in Loss allowance	57.80	(4.02)	53.78
Loss Allowance on 31 March 2020	99.90	-	99.90
Change in Loss allowance	(15.10)	-	(15.10)
Loss Allowance on 31 March 2021	84.80	-	84.80

ii. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying amount	Contractual cash flows			
	As at 31 March 2021	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	**1,148.30**	1,148.30	-	992.98	155.32
Short term borrowings	**32.52**	32.52	32.52	-	-
Non-current lease liabilities	**9.80**	9.80	-	-	9.80
Current lease liabilities	**5.58**	5.58	5.58	-	-
Trade payables	**551.16**	551.16	551.16	-	-
Other current financial liabilities	**221.34**	221.34	221.34	-	-
Total	**1,968.70**	**1,968.70**	**810.60**	**992.98**	**165.12**

(All amounts are in rupees million, unless otherwise stated)

Particulars	Carrying amount		Contractual cash flows		
	As at 31 March 2021	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	**856.53**	856.53	-	788.80	67.73
Short term borrowings	**180.51**	180.51	180.51	-	-
Non-current lease liabilities	**15.38**	15.38	-	5.58	9.80
Current Lease liabilities	**11.43**	11.43	11.43	-	-
Trade payables	**452.94**	452.94	452.94	-	-
Other current financial liabilities	**343.74**	343.74	343.74	-	-
Total	**1,860.53**	1,860.53	988.62	794.38	77.53

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of directors.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

As at 31 March 2021	USD	Euro
Financial asset		
Trade receivables	3.44	0.14
Forward contracts receivables (including above trade receivables)	6.23	-
Total	9.67	0.14
Financial liabilities		
Payable for capital assets	0.01	0.33
Total	0.01	0.33
Net exposure to foreign currency risk	9.66	(0.19)

(All amounts are in rupees million, unless otherwise stated)

As at 31 March 2020	USD	Euro
Financial asset		
Trade receivables	3.25	0.26
Forward contracts receivables (including above trade receivables)	4.20	-
Total	7.45	0.26
Financial liabilities		
Payable for capital assets	-	0.01
Total	-	0.01
Net exposure to foreign currency risk	7.45	0.25

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹against all other currencies as at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (1% movement)	**7.06**	(7.06)	5.28	(5.28)
EUR (1% movement)	**(0.16)**	0.16	(0.12)	0.12
31 March 2020				
USD (1% movement)	**5.57**	(5.57)	4.17	(4.17)
EUR (1% movement)	**0.20**	(0.20)	0.15	(0.15)

Interest rate risk

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company cash flow to interest rate risk. Company normally maintains most of its long term borrowings at MCLR+0.30% to 0.60% in Rupees. Company has all the long term loans from HDFC Bank Limited and ICICI Bank Limited.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Amount As at 31 March 2021	Amount As at 31 March 2020
Fixed-rate instruments		
Financial assets	**453.88**	57.44
Financial liabilities	**-**	-
	453.88	57.44
Variable-rate instruments		
Financial assets	**-**	-
Financial liabilities	**(1,309.12)**	(1,316.47)
	(1,309.12)	(1,316.47)

(All amounts are in rupees million, unless otherwise stated)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by ₹3.40 after tax (31 March 2020 ₹0.43). This analysis assumes that all other variables remain constant.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or loss (net of tax)	
	100 bp increase	100 bp decrease
31 March 2021		
Variable-rate instruments	(9.80)	9.80
Cash flow sensitivity (net)	(9.80)	9.80
31 March 2020		
Variable-rate instruments	(9.85)	9.85
Cash flow sensitivity (net)	(9.85)	9.85

50 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The company capital consists of equity attributable to equity holders that includes equity share capital, reserves, retained earnings and long term borrowings.

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	**2,455.35**	2,426.42
Less: Cash and cash equivalents	**312.62**	202.97
Less: Bank balances other than cash and cash equivalents	**449.52**	55.69
Less: Fixed deposits with banks with maturity period for more than 12 months	**0.11**	0.26
Adjusted total liabilities (a)	**1,693.10**	2,167.50
Total equity (b)	**4,144.43**	3,071.03
Capital gearing ratio (a/b)	**40.85%**	70.58%

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings (including interest accrued but not due on borrowings)	**1,307.05**	1,314.06
Less: Cash and cash equivalents	**312.62**	202.97
Less: Bank balances other than cash and cash equivalents	**449.52**	55.69
Less: Fixed deposits with banks with maturity period for more than 12 months	**0.11**	0.26
Adjusted net debt	**544.80**	1,055.14
Total equity	**4,144.43**	3,071.03
Adjusted net debt to equity ratio	**0.13**	0.34

As a part of its capital management policy the company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

51 The disclosures regarding details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021 and 31 March 2020.

52 Pursuant to a family settlement, Mr Anoop Bector (Promoter and Managing Director) and his family (Anoop Bector family) disassociated from his brothers Mr. Ajay Bector and his family (Ajay Bector family) and Mr Akshay Bector and his family (Akshay Bector family). The family settlement was effected by way of among others (i) the Brand separation MoU, in relation to the separation of brands and businesses and (ii) a composite scheme of amalgamation and arrangement approved by the High Court of Punjab and Haryana at Chandigarh pursuant to an order dated 4 July 2014 in relation to the re-organisation of the respective businesses.

In connection with the filing in earlier year, of the Draft Red Herring Prospectus, Mr. Ajay Bector, by way of his letters dated 3 September 2018 and 15 November 2018 (“Letters”), addressed to SEBI and the Book Running Lead Managers (BRLMs), made certain allegations against the Company and the Promoter. With respect to the Company, Mr. Ajay Bector has, inter alia, alleged in 2018-19 non-disclosure of certain family settlement related agreements in the Draft Red Herring Prospectus and also alleged certain irregularities in relation to the financial information of the Company disclosed in the Draft Red Herring Prospectus. With respect to the Promoter, Mr. Ajay Bector has, inter alia, made allegations of misconduct and non-compliance with the terms of the family settlement by the Promoter. The Company and the Promoter have responded to the letters vide separate letters dated 24 September 2018 and 6 December 2018 denying all the allegations. The Company has not received any further letter or communication from Mr. Ajay Bector or other disassociated member till date in relation to the aforesaid matter and further no new complaint has been filed by Mr. Ajay Bector or other disassociated member till date.

Further, in the light of disassociation, Akshay Bector family and Ajay Bector family and any entity in which they may have interest were not considered “”promoter group”” within the definition provided under the SEBI ICDR Regulations, in the Draft Red Herring Prospectus filed by the Company on 10 August 2018. The Company had made an application to SEBI seeking exemption from including the dissociated immediate relatives of Mr Anoop Bector (Promoter) and any entity in which they may have interest from the promoter group of the Company. Pursuant to the exemption application to SEBI, the Company had also written to Mr. Akshay Bector and Mr. Ajay Bector requesting them to express their intention to be named as members of the promoter group of the Company. Mr. Akshay Bector responded to the Company confirming that due to the disassociation, he should not be classified as a member of the promoter group of the Company. However, Mr Ajay Bector did not respond to the Company’s letter or any of the follow-up letters sent by the Company. SEBI acceded to the request for not including Mr. Akshay Bector and his family members as members of the promoter group of the Company. However, no exemption was granted to exclude Mr. Ajay Bector from being named as a member of the promoter group of the Company in the Draft Red Herring Prospectus to be filled with SEBI.

In recent developments, the Company had sent a letter dated 21 August 2020 to Mr. Ajay Bector for confirming that he and his family will not be classified as a member of the promoter group of the Company in connection with the DRHP that the Company proposes to file with Securities Exchange Board of India (SEBI) for the proposed Initial Public Offering of the equity shares (IPO). The Company received a response letter dated September 18, 2020, from Mr. Ajay Bector which states that he and his family has disassociated from the Company and therefore, should not be considered or classified as members of promoter group of the Company. Accordingly, Mr. Ajay Bector and any entity in which they may have interest were not considered “promoter group” within the definition provided under the SEBI ICDR Regulations, in the Draft Red Herring Prospectus dated 19 October 2020, filed by the Company. The Company also made an application to SEBI seeking exemption from including Mr. Ajay Bector and any entity in which they may have interest in the “promoter group” which was approved by, SEBI vide its letter dated 27 October 2020.

(All amounts are in rupees million, unless otherwise stated)

53 CORPORATE SOCIAL RESPONSIBILITY

31 March 2021

a) Gross amount required to be spent by the Company during the year was ₹9.94.

b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students.

Particulars	In cash	Yet to be paid in cash	Total
On construction/acquistion of any asset	-	-	-
On purpose other than above	9.94	-	9.94
Total	**9.94**	**-**	**9.94**

31 March 2020

a) Gross amount required to be spent by the Company during the year was ₹9.93.

b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students.

Particulars	In cash	Yet to be paid in cash	Total
On construction/acquistion of any asset	-	-	-
On purpose other than above	1.18	-	1.18
Total	**1.18**	**-**	**1.18**

54 IMPACT OF COVID 19 (GLOBAL PANDEMIC) ON BUSINESS

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these audited financial statements including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these audited financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered.

The Company continues to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity.

55 (A) SHARE ISSUE EXPENSES

The Company completed its Initial Public Offer (IPO) of 18,769,701 equity shares shares of face value of ₹10/- each for cash at an issue price of ₹288/- per equity share aggregating to ₹5,405.40 million, consisting of fresh issue of 1,408,592 equity shares aggregating to ₹405.40 million and an offer for sale of 17,361,109 equity shares aggregating to ₹5,000.00 million by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 24 December 2020. The Company incurred ₹195.34 million as an IPO related expense (excluding taxes) which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses (excluding taxes) of ₹22.71 million has been adjusted against securities premium.

(All amounts are in rupees million, unless otherwise stated)

(b) The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per Prospectus	Utilization upto 31 March 2021	Unutilized amount as on 31 March 2021
Financing the project cost towards Rajpura extension project	405.40	-	405.40
Total fresh proceeds	**405.40**	**-**	**405.40**

IPO proceeds which were unutilized as at 31 March 2021 were temporarily invested in deposits with banks.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

INDEPENDENT AUDITORS' REPORT

To
The Members of
Mrs. Bectors Food Specialities Limited

Report on the Audit of Consolidated Financial Statements

1. OPINION

We have audited the consolidated financial statements of Mrs. Bectors Food Specialities Limited (hereinafter referred to as the ''Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and an associate, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate, as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

2. BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

REVENUE RECOGNITION

Refer to note 2 (h) and 32 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and services is recognised when control in goods is transferred to the customer and when the services are completed, and is measured net of rebates, discounts and returns. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. We focussed on this area since there is a risk that revenue may be overstated because of fraud, resulting due to the pressure from Management and Board of Directors who may strive to achieve. Also, revenue is a key performance indicator for the Group and its associate which makes it susceptible to misstatement because the timing of revenue recognition requires exercise of judgement. In view of the above, we have identified risk of fraud in revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ■ We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards; ■ We evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions (using random sampling); ■ Involved our IT specialists to assist us in testing of general IT controls and key IT application controls relating to revenue recognition;

The key audit matter	How the matter was addressed in our audit
	■ We performed testing by selecting samples (using statistical sampling) of revenue transactions recorded for the year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances and shipping documents (as applicable), to assess whether these are recognised in the appropriate period in which control is transferred or services are provided. ■ We carried out analytical procedures on revenue recognised during the year to identify unusual variances. ■ We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. ■ We tested sample manual journal entries for revenue, selected based on specified risk-based criteria to identify unusual items ■ Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

4. OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

5. MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

  We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

6. OTHER MATTERS

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹0.52 million as at 31 March 2021, total revenues (before consolidation adjustments) of ₹0.04 million and net cash outflows (before consolidation adjustments) amounting to ₹0.03 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) (before consolidation adjustments) of ₹0.94 million for the year ended 31 March 2021, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and an associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and an associate is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and an associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 and 1 April 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate, incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and an associate, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of subsidiaries and an associate, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associate. Refer Note 42 to the consolidated financial statements.

   ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and an associate company incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company and an associate company, incorporated in India, which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and an associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and its associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 21094549AAAACL7912

Place: Gurugram, Haryana
Date: 07 June 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MRS. BECTORS FOOD SPECIALITIES LIMITED FOR THE PERIOD ENDED 31 MARCH 2021

(Referred to in paragraph 7(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Mrs. Bectors Food Specialities Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and an associate company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and an associate company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company and an associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 21094549AAAACL7912

Place: Gurugram, Haryana
Date: 07 June 2021

Consolidated Balance sheet as at 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	**3,397.12**	3,375.70
Capital work-in-progress	4	**552.74**	66.55
Right-of-use assets	5	**142.01**	153.00
Goodwill	6	**3.95**	3.95
Other intangible assets	7	**0.41**	6.13
Equity accounted investment	8	**39.21**	38.28
Financial assets			
(i) Loans	9	**35.51**	35.25
(ii) Other financial assets	10	**0.11**	0.26
Income tax assets (net)	11	**28.70**	42.61
Other non-current assets	12	**70.37**	174.29
Total non-current assets		**4,270.13**	3,896.02
Current assets			
Inventories	13	**569.07**	433.73
Financial assets			
(i) Investments	13A	**61.71**	-
(ii) Trade receivables	14	**719.72**	750.23
(iii) Cash and cash equivalents	15	**347.35**	206.99
(iv) Bank balances other than (iii) above	16	**500.11**	95.50
(v) Loans	17	**27.03**	3.57
(vi) Other financial assets	18	**226.54**	179.42
Other current assets	19	**89.97**	93.34
Total current assets		**2,541.50**	1,762.78
Total assets		**6,811.63**	5,658.80
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	**587.47**	572.68
Other equity	21	**3,724.95**	2,621.54
Total equity		**4,312.42**	3,194.22
Liabilities			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	22	**1,148.30**	856.53
(ii) Lease liabilities	5	**9.80**	15.38
Provisions	23	**74.14**	61.22
Deferred tax liabilities (net)	24	**94.83**	79.18
Other non-current liabilities	25	**104.33**	131.40
Total non-current liabilities		**1,431.40**	1,143.71
Current liabilities			
Financial liabilities			
(i) Borrowings	26	**32.52**	180.51
(ii) Lease liabilities	5	**5.58**	11.43
(iii) Trade payables	27		
(a) Total outstanding dues of micro enterprises and small enterprises		**52.69**	59.19
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**519.94**	411.08
(iv) Other financial liabilities	28	**222.87**	344.72
Other current liabilities	29	**188.62**	138.31
Provisions	30	**30.12**	156.89
Current tax liabilities (net)	31	**15.47**	18.74
Total current liabilities		**1,067.81**	1,320.87
Total liabilities		**2,499.21**	2,464.58
Total equity and liabilities		**6,811.63**	5,658.80
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Consolidated Statement of Profit & Loss for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
INCOME			
Revenue from operations	32	**8,807.26**	7,621.22
Other income	33	**101.26**	28.54
Total income		**8,908.52**	7,649.76
Expenses			
Cost of materials consumed	34	**4,678.21**	4,113.15
Purchase of stock-in-trade	35	**6.30**	3.70
Changes in inventories of finished goods, stock-in- trade and work-in-progress	36	**(67.98)**	(42.35)
Employee benefits expense	37	**1,268.56**	1,178.97
Finance costs	38	**95.20**	150.39
Depreciation and amortisation expense	39	**446.83**	416.53
Other expenses	40	**1,511.60**	1,439.59
Total expenses		**7,938.72**	7,259.98
Profit before share of equity accounted investees and tax			
Share of net profit of associate accounted for using the equity method (net of tax)	8	**0.93**	0.37
Profit before tax		**970.73**	390.15
Tax expense	24		
Current tax		**232.21**	128.97
Deferred tax		**15.76**	(41.93)
		247.97	87.04
Profit for the year (A)		**722.76**	303.11
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**(0.48)**	(8.60)
Income tax relating to remeasurement of defined benefit plans		**0.11**	2.17
Total other comprehensive (loss) for the year (B)		**(0.37)**	(6.43)
Total comprehensive income for the year (A + B)		**722.39**	296.68
Earnings per equity share [nominal value of ₹10 (previous year ₹10)]	41		
Basic		**12.53**	5.29
Diluted		**12.52**	5.29
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

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Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**5,72,67,922**	**572.68**	5,72,67,922	572.68
Share based option exercised during the year	**70,000**	**0.70**	-	-
Shares issued during the year	**14,08,592**	**14.09**	-	-
Balance at the end of the reporting year	**5,87,46,514**	**587.47**	5,72,67,922	572.68

(b) Other Equity

Particulars	Note	Reserves & Surplus					Total
		Share options outstanding account	Capital reserve	Securities premium	General reserve	Retained earnings	
Balance at 1 April 2019		**8.35**	**13.17**	**243.92**	**18.88**	**2,092.67**	**2,376.99**
Profit for year		-	-	-	-	303.11	303.11
Other comprehensive (loss) / income for year*	21 c	-	-	-	-	(6.43)	(6.43)
Total comprehensive income for year		**-**	**-**	**-**	**-**	**296.68**	**296.68**
Share based expense	21 d	2.79	-	-	-	-	2.79
Share based option forfeited during the year	21 d	(2.81)	-	-	-	-	(2.81)
Less: Interim dividend	21 c	-	-	-	-	(42.95)	(42.95)
Less: Dividend distribution tax on interim dividend*	21 c	-	-	-	-	(9.16)	(9.16)
Balance at 31 March 2020		**8.33**	**13.17**	**243.92**	**18.88**	**2,337.24**	**2,621.54**
Profit for year		-	-	-	-	722.76	722.76
Other comprehensive (loss) / income for year*	21 c	-	-	-	-	(0.37)	(0.37)
Total comprehensive income for year		**-**	**-**	**-**	**-**	**722.39**	**722.39**
Shares issued during the year	21 b	-	-	391.31	-	-	391.31
Utilised for IPO expenses		-	-	(22.71)	-	-	(22.71)
Share based expense	21 d	0.90	-	-	-	-	0.90
Employee stock option exercised during the year	21 d	(4.34)	-	15.86	-	-	11.52
Balance at 31 March 2021		**4.89**	**13.17**	**628.38**	**18.88**	**3,059.63**	**3,724.95**

* Represents remeasurement of defined benefit plans (net of tax).

** Tax on dividend paid is net of credit of ₹Nil (₹8.67 for the year ended 31 March 2020). Credit was on account of dividend distribution tax on dividend received from subsidiary company.

Significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Consolidated Statement of Cash Flows for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit before tax	**970.73**	**390.15**
	Non-cash adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	**446.83**	416.53
	Allowances on trade receivable and other advances	**42.67**	71.18
	Bad debts written off	**-**	20.23
	Liabilities no longer required written back	**(55.84)**	(4.98)
	Amortisation of government grants	**(23.69)**	(18.82)
	Change in fair value of derivative contracts	**(19.74)**	19.24
	Net unrealized foreign exchange loss/ (gain)	**8.58**	(26.69)
	Net loss/ (profit) on sale/write off of property, plant and equipment	**0.16**	(0.59)
	Share based payment to employees	**0.90**	(0.02)
	Finance costs	**95.20**	150.39
	Interest income	**(19.90)**	(8.19)
	Share of profit of equity accounted investment	**(0.93)**	(0.37)
	Operating profit before working capital changes	**1,444.97**	**1,008.06**
	Movement in working capital:		
	(Increase)/ decrease in non current loans	**(0.26)**	1.71
	(Increase) in current loans	**(23.46)**	(3.57)
	(Increase) in other financial assets	**(37.12)**	(24.73)
	(Increase) in other non-current assets	**(0.75)**	(0.29)
	Decrease in other current assets	**3.37**	106.48
	(Increase) in inventories	**(135.34)**	(80.90)
	(Increase)/ decrease in trade receivables	**(21.43)**	189.12
	Increase in non current provisions	**12.44**	10.76
	(Decrease)/ increase in current provisions	**(70.93)**	14.92
	Increase in other liabilities	**46.93**	12.86
	Increase/ (decrease) in trade payables	**102.36**	(14.81)
	Increase/ (decrease) in other financial liabilities	**5.71**	(1.11)
	Cash generated from operations	**1,326.49**	**1,218.50**
	Income tax paid (net of refund)	**(223.69)**	(123.65)
	Net cash from operating activities (A)	**1,102.80**	**1,094.85**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	**(811.66)**	(424.75)
	Proceeds from sale of property, plant and equipment (including capital work-in-progress)	**13.42**	14.51
	Purchase of invesments	**(61.71)**	-
	Net investments in bank deposits (having original maturity of more than three months)	**(404.46)**	(30.33)
	Interest received	**17.14**	8.28
	Net cash used in investing activities (B)	**(1,247.27)**	**(432.29)**

Consolidated Statement of Cash Flows for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
C. Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	**405.40**	-
Proceeds from exercise of employee stock option (including securities premium)	**12.22**	-
Share premium utilised for IPO expenses	**(22.71)**	-
Proceeds from non-current borrowings *	**521.33**	81.09
Repayments of non-current borrowings *	**(380.01)**	(203.98)
Repayments of current borrowings (net)	**(147.99)**	(167.80)
Payment of lease liabilities (including interest on lease liabilities)	**(11.63)**	(18.17)
Finance costs paid	**(91.78)**	(149.88)
Dividend paid on equity shares (including dividend distribution tax)	**-**	(52.11)
Net cash from/ (used) in financing activities (C)	**284.83**	(510.85)
Net increase in cash and cash equivalents (A+B+C)	**140.36**	151.71
Cash and cash equivalents at the beginning of the year	**206.99**	55.28
Cash and cash equivalents at the end of the year	**347.35**	206.99
Notes:-		
1. Cash and cash equivalents include		
Balance with banks		
- in current accounts	**181.48**	143.11
- deposits with origianl maturity of less than three months	**164.45**	60.07
Cash on hand	**1.42**	3.81
	347.35	206.99

* Also refer note 22 (b) for reconciliation of liabilities from financing activities.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

Significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

Notes to Consolidated Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

1. REPORTING ENTITY

Mrs. Bectors Food Specialities Limited referred to as "the Company" or "Parent" is domiciled in India. The Company's registered office is at Theing Road, Phillaur-144410, Punjab, India. During the current year, the equity shares of the Company have been listed on BSE Limited and The National Stock Exchange of India Limited. These consolidated financial statements comprise of the Company and its subsidiaries (together referred to as the 'Group') and its associate. The Group and its associate is engaged in the business of manufacturing and distribution of food products. The Group caters to both domestic and export markets.

2. SIGNIFICANT ACCOUNTING POLICIES

The Group and its associate has consistently applied the following accounting policies to all periods presented in the consolidated financial statements.

a) Basis and purpose of preparation

Compliance with Indian Accounting Standards

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (India Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

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

These consolidated financial statements were authorised for issue by the Parent's Company's Board of Directors on 07 June 2021.

i) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is the Group and its associate's functional currency. All amounts have been rounded to the nearest million, upto two places of decimal, unless otherwise stated.

ii) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following:

- Defined benefit liability/(assets): Fair value of the plan assets less present value of defined benefit obligations
- Certain financial assets and liabilities (including derivative instruments: measured at fair value)

Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Group and its associate. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

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

The Group and its associate recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in note 49 Financial instruments.

iii) Use of judgments and estimates

In preparing these consolidated financial statements , management has made judgments, estimates and assumptions that affect the application of the Group and its associate's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

Judgements

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements have been given below:

- Note 49 - classification of financial assets: assessment of business model within which the assets the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;
- Note 5 & 44 - leases classification and assessment of discount rate in relation to lease accounting as per Ind AS 116

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the every period ended is included below:

- Note 3 and 7 - useful life and residual value of property, plant and equipment and other intangible assets;
- Note 46 - measurement of defined benefit obligations: key actuarial assumptions,
- Note 48 - fair value of share-based payments
- Note 42 - Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 49 - impairment of financial assets;
- Note 49 - Fair value measurement of financial instruments.
- Note 13 – Valuation of inventories
- Note 2(i) & 25 – Accounting for Government grant
- Note 2(o), 11 and 24 - Recognition of tax expense including deferred tax, availability of future taxable profits against which tax losses carried forward can be used

iv) Current and non-current classification

The Group and its associate presents assets and liabilities in the consolidated financial statements based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group and its associate's normal operating cycle.

- it is held primarily for the purpose of being traded;

- it is expected to be realized within 12 months after the reporting date; or

- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group and its associate's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group and its associate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its

settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Group and its associate has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

b) Basis of consolidation

i) Business Combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

ii) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expense. Intercompany transactions, balances and unrealized gains on transactions between Group entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of Profit and Loss, Consolidated statement of changes in Equity and Consolidated Balance sheet respectively.

iii) Associate

The Group's interests in equity accounted investment comprise interests in associate.

(All amounts are in rupees million, unless otherwise stated)

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate is accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investment until the date on which significant influence ceases.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group and its associate's share of post-acquisition profits or losses of the investee on profit and loss, and the Group and its associate's share of other comprehensive income.

Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

When the Group and its associate's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group and its associate does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group are eliminated to the extent of the Group and its associate's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

v) The Consolidated Financial Statements comprises financial statements of the members of the Group as under:

Name of subsidiaries / Associate	Country of Incorporation	% of Interest	
		As at 31 March 2021	As at 31 March 2020
Subsidiaries			
Bakebest Foods Private Limited	India	100	100
Mrs. Bectors English Oven Limited	India	100	100
Associate			
Cremica Agro Foods Limited	India	43.09	43.09

c) Property, plant and equipment

i. Recognition and measurement

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase 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.

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

Major machinery spares parts are classified as property, plant and equipment when they are expected to be utilized over more than one period. Other spares are carried as inventory and recognised in the consolidated statement of Profit and Loss as and when consumed.

Any gain or loss on disposal of property, plant and equipment is recognised in consolidated statement of Profit and Loss.

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

(All amounts are in rupees million, unless otherwise stated)

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the consolidated statement of Profit and Loss. Assets held for sale, that meets the criteria of Ind AS 105 are reported at the lower of the carrying value or the fair value less cost to sell.

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment

iii. Subsequent Measurement

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and its associate and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the consolidated statement of Profit and Loss when incurred.

iv. Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight line basis using the rates based on the useful lives prescribed as per Part C of schedule II, of the Companies Act 2013 except in case of certain plant and equipment such as moulds, crates and pallets where the management has assessed useful life as 3 years based on internal technical evaluation, and is recognised in the consolidated statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on items of property, plant and equipment is provided as per the rates corresponding to the useful life specific in Schedule II of the Companies Act, 2013 read with notification dated 29 August 2014 of Ministry of Corporate Affairs as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II
Building	30 years	30 years
Plant and machinery	3 to 15 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computer	3 to 6 years	3 years

Significant components of assets and their useful life and depreciation charge is based on an internal technical evaluation. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each balance sheet date end and adjusted if appropriate.

Derecognition

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of Profit and Loss.

d) Goodwill and Intangible assets

Goodwill

For measurement of goodwill that arises on a business combination (Refer note b.i). Subsequent measurement is at cost less any accumulated impairment losses.

Other Intangible assets

Intangible assets that are acquired by the Group and its associate are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of Profit and Loss as incurred.

Estimated useful life of the softwares is considered as 5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each balance sheet date and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated statement of Profit and Loss when the asset is derecognised.

Advances paid towards acquisition of intangible assets outstanding at each period end date, are shown under other non-current assets and cost of assets not ready for intended use before the period end, are shown as intangible asset under development.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

e) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group and its associate at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the consolidated statement of Profit and Loss.

f) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency

borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection

with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and its associate has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(All amounts are in rupees million, unless otherwise stated)

Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group and its associate makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group and its associate's gratuity benefit scheme is a defined benefit plan.

Gratuity

The Group and its associate's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Parent Company's plan is funded with an Insurance Company in the form of insurance policies. However, the subsidiaries and associate's plan is not funded. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group and its associate, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group and its associate determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of Profit and Loss.

Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Consolidated Balance sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Consolidated Balance sheet date. Actuarial gains and losses are recognised in the statement of Profit or Loss in the period in which they occur.

h) Revenue

i. Sale of goods

Under Ind AS 115, the Group and its associate recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

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

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at transaction price, 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 Group and its associate is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses, or a reasonable estimate can be made.

Rendering of services
Revenue in respect of sale of services is recognised on an accrual basis in accordance with the terms of the relevant agreements.

ii. Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group and its associate performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

iii. Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group and its associate has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and its associate transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and its associate performs under the contract.

iv. Right of return
Group and its associate provides a customer with a right to return in case of any defects or on grounds of quality. The Group and its associate uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group and its associate will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group and its associate recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

i) Government grants and subsidies
Government grants for capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group and its associate will comply with the conditions associated with the grant; they are then recognised in consolidated statement of Profit and Loss as other income on a systematic basis.

Grants that compensate the Group and its associate for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense on a systematic basis in the periods in which such expenses are recognized.

Export Incentives

Export incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and that the group and its associate will comply with the conditions associated with the grant and ultimate collection exist.

j) **Recognition of interest income or expense**

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

a) the gross carrying amount of the financial asset; or

b) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k) **Inventories**

Inventories are measured at the lower of cost and net realizable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials, packing materials and stores and spares	Weighted average method
Traded goods	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average cost and includes an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products 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 comparison of cost and net realisable value is made on an item-by-item basis.

l) **Provisions, contingent liabilities, Contingent assets, Commitments**

Provisions are recognised when the Group and its associate 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. The expense relating to a provision is presented in the consolidated 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. Expected future losses are not provided for.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed where an inflow of economic benefit is probable.

Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

1) Financial assets

i) Initial recognition and measurement

The Group and its associate initially recognises financial assets on the date on which they are originated. The Group and its associate recognises the financial assets on the trade date, which is the date on which the Group and its associate becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss

ii) Classifications and subsequent measurement

Classifications

The Group and its associate classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group and its associate's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group and its associate makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and its associate considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instrument at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value though profit and loss (FVTPL):

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from Expected Credit Losses (ECL) impairment are recognised in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

Equity instruments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value.

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group and its associate decides to classify the same either as at FVTOCI or FVTPL. The Group and its associate makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group and its associate decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group and its associate may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

iii) Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group and its associate changes its business model for managing financial assets.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group and its associate of similar financial assets) is primarily derecognised (i.e. removed from the Group and its associate's Consolidated Balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group and its associate has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and its associate has transferred substantially all the risks and rewards of the asset, or (b) the Group and its associate has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

ii) Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at amortised cost

After initial recognition, financial liabilities are amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

iii) Derecognition of financial liabilities

The Group and its associate derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

4) Derivative financial instruments

The Group and its associate holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Group and its associate enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

n) Impairment

Impairment of financial assets

The Group and its associate recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group and its associate assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group and its associate on terms that the Group and its associate would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group and its associate measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and its associate is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and its associate considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and its associate's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group and its associate in accordance with the contract and the cash flows that the Group and its associate expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and its associate determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Group and its associate's procedures for the recovery of amount due.

Impairment of non-financial assets

The Group and its associate's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group and its associate's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Income taxes

Income tax comprises current and deferred tax. It is recognised in the consolidated statement of Profit and 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. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Group and its associate has opted to recognize tax expense at the new income tax rate as applicable to the Company.

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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Consolidated Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Consolidated Balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and its associate expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and its associate intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the consolidated statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

p) Leases

Leases under Ind AS 116

At inception of a contract, the Group and its associate 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.

As lessee

The Group and its associate's lease asset classes primarily consist of leases for buildings and leasehold land. The Group and its associate, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Group and its associate elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Group and its associate 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 costs incurred and an estimate of costs 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 assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of Profit and Loss.

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 Group and its associate's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group and its associate recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group and its associate recognises any remaining amount of the re-measurement in consolidated statement of Profit and Loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and its associate is reasonably certain to exercise, lease payments in an optional renewal period if the Group and its associate is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and its associate is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group and its associate's estimate of the amount expected to be payable under a residual value guarantee, if the Group and its associate changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group and its associate presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘financial liabilities’ in the statement of financial position.

The Group and its associate has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group and its associate recognises the lease payments associated with these leases as an expense in the consolidated sstatement of Profit or Loss over the lease term.

As lessor

Leases in which the group or its associate transfer substantially all the risks and benefits of ownership of the assets are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the group and its associate apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the consolidated statement if profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the consolidated statement of profit and loss.

Leases in which the group and its associate does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating lease are included in Property, plant and equipment. Lease income on an operating income is recognized in the consolidated statement of profit and loss on a straight line basis over lease term. Costs, including depreciation, are recognized as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the consolidated statement of profit and loss.

Assets held under lease

Leases of property, plant and equipment that transfer to the Group and its associate substantially all the risk and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policies applicable to similar owned assets.

Assets held under leases that do not transfer to the Group and its associate substantially all the risk and rewards of ownership (i.e. operating lease) are not recognised in the Group and its associate’s Balance Sheet.

Lease Payments

Payments made under operating leases are generally recognised in the consolidated statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increase. Lease incentive received are recognised as an integral part of the total lease expense over the term of the lease.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the consolidated statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

q) Corporate Social Responsibility (“CSR”) expenditure

CSR expenditure incurred by the Group and its associate is charged to the consolidated statement of the profit and loss.

r) Share issue expenses

The share issue expenses incurred by the Group and its associate on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Group and its associate on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as IPO expenses recoverable under other current financial assets.

(All amounts are in rupees million, unless otherwise stated)

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Group and its associate have been identified as being the Chief operating decision maker by the management of the Group and its associate. Refer note 43 for segment information presented.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

u) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group and its associate are segregated.

v) Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

w) Cash dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

x) Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

y) Recent 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 April 1, 2021. The Group and its associate are evaluating these amendments on its consolidated financial statements and will give effect to the same as required by law.

Notes to Consolidated Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for year	Disposals during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Own assets										
Freehold land	177.70	-	8.74	**168.96**	-	-	-	**-**	177.70	**168.96**
Leasehold improvements	1.08	-	1.08	**-**	0.99	-	0.99	**-**	0.09	**-**
Buildings @	1,390.26	7.14	-	**1,397.40**	141.88	47.54	-	**189.42**	1,248.38	**1,207.98**
Plant and machinery #	2,837.88	424.71	14.04	**3,248.55**	987.16	359.92	10.06	**1,337.02**	1,850.72	**1,911.53**
Furniture and fixtures	44.18	0.45	-	**44.63**	15.21	4.54	-	**19.75**	28.97	**24.88**
Vehicles	85.09	26.66	-	**111.75**	36.35	10.31	-	**46.66**	48.74	**65.09**
Office equipment	26.29	2.33	0.43	**28.19**	12.61	3.77	0.19	**16.19**	13.68	**12.00**
Computer	18.61	2.95	-	**21.56**	11.19	3.69	-	**14.88**	7.42	**6.68**
Total	4,581.09	464.24	24.29	**5,021.04**	1,205.39	429.77	11.24	**1,623.92**	3,375.70	**3,397.12**

Particulars	Gross Block					Depreciation					Net Block	
	As at 1 April 2019	Additions	Disposals during the year	Reclassifed on account of adoption of Ind AS 116*	As at 31 March 2020	As at 1 April 2019	Charge for year	Disposals during the year	Reclassifed on account of adoption of Ind AS 116*	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Own assets												
Freehold land	176.50	1.20	-	-	**177.70**	-	-	-	-	**-**	176.50	**177.70**
Leasehold improvements	1.08	-	-	-	**1.08**	0.99	-	-	-	**0.99**	0.09	**0.09**
Buildings @	1,301.85	93.23	4.82	-	**1,390.26**	95.55	46.85	0.52	-	**141.88**	1,206.30	**1,248.38**
Plant and machinery #	2,628.21	219.93	10.26	-	**2,837.88**	669.16	323.44	5.44	-	**987.16**	1,959.05	**1,850.72**
Furniture and fixtures	41.34	2.84	-	-	**44.18**	10.70	4.51	-	-	**15.21**	30.64	**28.97**
Vehicles	78.23	13.88	7.02	-	**85.09**	30.85	10.60	5.10	-	**36.35**	47.38	**48.74**
Office equipment	23.12	3.32	0.15	-	**26.29**	8.90	3.81	0.10	-	**12.61**	14.22	**13.68**
Computer	16.03	2.58	-	-	**18.61**	7.54	3.65	-	-	**11.19**	8.49	**7.42**
Asset on financial lease **												
Leasehold land	141.44	-	-	141.44	**-**	2.88	-	-	2.88	**-**	138.56	**-**
Total	4,407.80	336.98	22.25	141.44	**4,581.09**	826.57	392.86	11.16	2.88	**1,205.39**	3,581.23	**3,375.70**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

a) Refer note 22 and 26 for charge created on property, plant and equipment.

b) Freehold land includes land having gross block amounting to ₹2.59 (31 March 2020 ₹4.27) in the state of Himachal Pradesh, pending to be registered in the name of Group.

c) Vehicles includes motor cars having gross block amounting to ₹0.03 (31 March 2020 ₹0.03) and written down value amounting to ₹0.03 (31 March 2020 ₹0.03) are pending to be registered in the name of the Group.

d) Refer note 42 (c) for disclosure of capital commitments for the acquisition of property, plant and equipment.

\# Plant and machinery includes amount of gross value ₹1,524.65 (31 March 2020 ₹1,219.91), net value of ₹1,025.80 (31 March 2020 ₹873.83) which are partially given under lease arrangement. Also refer note – 32.

@ Buildings includes amount of gross value ₹565.68 (31 March 2020 ₹736.00), net value of ₹498.95 (31 March 2020 ₹664.44) which are partially given under lease arrangement. Also refer note – 32.

* Refer Note 5.

** Refer Note 22(b).

(All amounts are in rupees million, unless otherwise stated)

4. CAPITAL WORK-IN-PROGRESS

Particulars	As at 1 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Capital work-in-progress*	66.55	859.20	373.01	**552.74**

Particulars	As at 1 April 2019	Additions	Capitalised during the year	As at 31 March 2020
Capital work-in-progress*	155.58	182.23	271.26	66.55

*Detail of preoperative expenses included in CWIP	As at 31 March 2021	As at 31 March 2020
Opening for year	**5.21**	0.88
Additions as per consolidated statement of profit and loss during the year		
- Interest and processing charges #	**24.12**	3.02
- Bank charges	**0.18**	-
- Power & fuel	**1.07**	-
- Travelling and conveyance	**0.91**	1.57
- Miscellaneous expenses	**0.29**	0.62
Subtotal	**26.57**	5.21
Less:- Capitalised to respective property, plant and equipment	**13.69**	0.88
Closing for year	**18.09**	5.21

Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation relating to general borrowings is ₹4.48 at 8.75% (31 March 2020 ₹1.87 at 8.88%).

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES :

Information about leases for which the Group is a lessee is presented below :

Particulars	Category of ROU asset		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2020	136.98	16.02	153.00
Addition/ reclassification of leases	1.71	-	1.71
Depreciation charge for year	(1.59)	(9.75)	(11.34)
Deletions for terminated leases	-	(1.36)	(1.36)
Balance as on 31 March 2021	**137.10**	**4.91**	**142.01**

Particulars	Category of ROU asset		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2019 (transition balance)	-	-	-
Reclassified on account of adoption of Ind AS 116	138.56	32.27	170.83
Depreciation charge for year	(1.58)	(16.25)	(17.83)
Balance as on 31 March 2020	**136.98**	**16.02**	**153.00**

The aggregate depreciation expense on ROU assets amounting to ₹11.34 (31 March 2020 ₹17.83) is included under depreciation and amortisation expense in the consolidated statement of Profit and Loss.

(All amounts are in rupees million, unless otherwise stated)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES : (CONTD.)

The following is the movement in lease liabilities during the year:

Lease liabilities	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	**26.81**	42.07
Accredition of interest	**1.64**	2.91
Payment of lease liabilities	**(11.63)**	(18.17)
Deletions for terminated leases	**(1.44)**	-
Balance at the end	**15.38**	26.81

As at balance sheet date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Lease liabilities	As at 31 March 2021	As at 31 March 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**6.39**	13.08
After one year but not longer than five years	**3.24**	8.98
More than five years	**74.46**	74.46
Total	**84.09**	96.52
Lease liabilities included in the statement of financial position		
Current	**5.58**	11.43
Non- current	**9.80**	15.38
Total	**15.38**	26.81

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

For the transitional impact of Ind AS 116 and accounting policy, refer accounting policy section 2.2(l).

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group incurred ₹19.63 (31 March 2020 ₹18.10) during the year towards expenses relating to short-term leases for which the recognition exemption has been applied (Refer note 40).

The total cash outflow for leases disclosed in cash flow statement is ₹11,63 (31 March 2020 ₹18.17) during the year.

6. GOODWILL

Particulars	Gross Block				Impairment			Net Block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Adjustments	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Goodwill	3.95	-	-	**3.95**	-	-	**-**	3.95	**3.95**
Total	3.95	-	-	**3.95**	-	-	**-**	3.95	**3.95**

Particulars	Gross Block				Impairment			Net Block	
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Adjustments	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Goodwill	**3.95**	**-**	**-**	**3.95**	**-**	**-**	**-**	**3.95**	**3.95**
Total	3.95	-	-	**3.95**	-	-	**-**	3.95	**3.95**

There has been no impairment loss recognised on goodwill generated on acquisition of Bakebest Foods Private Limited.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

(All amounts are in rupees million, unless otherwise stated)

6. GOODWILL (CONTD.)

The entire goodwill of ₹3.95 has been allocated to the purchase of business of Bakebest Foods Private Limited. The recoverable amount of this CGU is based on fair value less costs to sell, estimated using discounted cash flows. The fair value measurement has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources.

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	**12.40%**	12.40%
Terminal value rate	**5%**	5%
Budgeted EBITDA growth rate	**10%**	10%

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.
- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.
- Budgeted EBITDA has been estimated taking into account past experience.

7. OTHER INTANGIBLE ASSETS

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Charge for year	Deletions	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Computer softwares	27.56	-	-	**27.56**	21.43	5.72	-	**27.15**	6.13	**0.41**
Total	27.56	-	-	**27.56**	21.43	5.72	-	**27.15**	6.13	**0.41**

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Charge for year	Deletions	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Computer softwares	**27.56**	**-**	**-**	**27.56**	**15.59**	**5.84**	**-**	**21.43**	**11.97**	**6.13**
Total	27.56	-	-	**27.56**	15.59	5.84	-	**21.43**	11.97	**6.13**

8 EQUITY ACCOUNTED INVESTMENT

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in associate		
Quoted investment in equity share at cost *		
1,937,268 (31 March 2020: 1,937,268) equity shares of ₹10/- each fully paid up of Cremica Agro Foods Limited	**39.21**	38.28
	39.21	38.28

* Listed on Metropolitan Stock Exchange on 16 July 2018.

Particulars	As at 31 March 2021	As at 31 March 2020
Quoted		
Aggregate book value of quoted investments	**39.21**	38.28
Aggregate market value of quoted investments	*	*
Aggregate amount of impairment in value of investments	**Nil**	Nil

* Not traded since the date of listing.

(All amounts are in rupees million, unless otherwise stated)

Interests in equity accounted investment

Cremica Agro Foods Limited ('CAFL') is an associate of the Group and has a 43.09% ownership interest. The CAFL is principally engaged in food processing. The said Company was incorporated in India on 6 December 1989. The principal place of business is Phillaur.

Summarised financial information for associate

The following table summarises the financial information of CAFL as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in CAFL.

Particulars	As at 31 March 2021	As at 31 March 2020
Percentage ownership interest	**43.09%**	43.09%
Non-current assets	**42.26**	42.31
Current assets (including cash and cash equivalents – 31 March 2021: 6.49, 31 March 2020: 16.62)*	**58.69**	60.59
Current liabilities (including current financial liabilities – 31 March 2021: 9.70, 31 March 2020: 13.84)	**(9.96)**	(14.08)
Net assets (100%)	**90.99**	88.82
Group's share of net assets	**39.21**	38.28
Carrying amount of interest in equity accounted investment	**39.21**	38.28

* Certain deposit accounts and a bank account having balance as at 31 March 2021:₹Nil (31 March 2020: ₹60.21) of the associate company, i.e. Cremica Agro Foods Limited were freezed by the Board of Directors due to dispute among some of the Directors of the associate company w.e.f. 6 January 2016. These accounts were unfreezed on 4 February 2021.

Carrying amount of the interest in equity accounted investment

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue	**0.14**	-
Other income	**2.15**	4.88
Depreciation and amortisation expense	**0.05**	0.05
Income tax expense	**0.13**	0.27
Profit	**2.16**	0.86
Total comprehensive income (net of tax)	**2.16**	0.86
Group's share of profit	**0.93**	0.37
Group's share of other comprehensive income	**-**	-
Group's share of total comprehensive income	**0.93**	0.37

No dividend has been received from the associate for year ended 31 March 2021 and 31 March 2020.

(All amounts are in rupees million, unless otherwise stated)

9 NON-CURRENT LOANS

(Unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	**35.51**	35.25
	35.51	35.25
Breakup of security details		
Loans receivables considered good - unsecured	**35.51**	35.25
Total	**35.51**	35.25
Less: Loss allowance	**-**	-
Total loans receivables	**35.51**	35.25

10 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with maturity of more than 12 months		
Margin money deposit*	**0.11**	0.26
Deposits with maturity of more than 12 months	**-**	-
	0.11	0.26

*Margin money deposits with carrying amount of ₹0.11 (31 March 2020 ₹0.26) are subject to first charge to secure the Group's inland letter of credit and bank guarantees.

11 INCOME TAX ASSETS (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision for tax)	**28.70**	42.61
	28.70	42.61

12 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Advances recoverable in cash or kind	**-**	0.29
Prepaid expenses	**1.04**	
Capital advances	**69.33**	174.00
	70.37	174.29

(All amounts are in rupees million, unless otherwise stated)

13 INVENTORIES

(valued at the lower of cost and net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw material and packing material	**275.20**	209.28
Work-in-progress	**1.41**	0.48
Finished goods - Manufactured goods (including stock in transit ₹128.07 (31 March 2020 ₹57.94))*	**259.58**	192.11
Stock-in-trade	**-**	0.42
Stores and spares	**32.88**	31.44
	569.07	433.73

*The write-down of inventories to net realisable value during the year amounted to ₹3.70 (31 March 2020 ₹0.83).

The write-down are included in changes in inventories of finished goods and work-in-progress.

13A CURRENT INVESTMENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with financial institution-unquoted		
- 5.20% deposit with Housing Development Finance Corporation Limited	**61.71**	-
	61.71	-
Unquoted current investments		
Aggregate book value of unquoted investments	**61.71**	-

14 TRADE RECEIVABLE

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good	**719.72**	750.23
Considered doubtful / credit impaired	**84.80**	99.90
Particulars	**(84.80)**	(99.90)
	719.72	750.23
Breakup of security details		
Trade receivables considered good - secured	**-**	-
Trade receivables considered good - unsecured	**719.72**	750.23
Trade receivables considered doubtful / credit impaired	**84.80**	99.90
Total	**804.52**	850.13
Less: Loss allowance	**(84.80)**	(99.90)
Total trade receivables	**719.72**	750.23

* The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 49 on financial instruments.

Notes to Consolidated Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2021	As at 31 March 2020
Bank Balances		
In current account #	**181.48**	143.11
Cash on hand	**1.42**	3.81
Deposits with banks for original maturity of less than three months	**164.45**	60.07
	347.35	206.99

#Includes debit balance of working capital facility availed from HDFC Bank Limited amounting to ₹52.87 (31 March 2020 ₹65.12), from ICICI Bank Limited amounting to ₹58.29 (31 March 2020 ₹Nil) and from State Bank of India Limited amounting to ₹Nil (31 March 2020 ₹17.27).

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

Particulars	As at 31 March 2021	As at 31 March 2020
Margin money deposit *	**65.04**	55.69
Deposits due to be matured within 12 months of the reporting date	**435.07**	39.81
	500.11	95.50

*Margin money deposits with carrying amount of ₹65.04 (31 March 2020 ₹55.69) are subject to first charge to secure the Group's inland letter of credit and bank guarantees.

17 CURRENT LOANS

(Unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	**27.03**	3.57
	27.03	3.57

18 OTHER CURRENT FINANCIAL ASSETS

(unsecured, considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
Forward exchange contracts used for hedging	**7.24**	-
Export incentive receivable *	**139.19**	100.03
Claims receivable on export	**2.08**	3.21
Interest accrued but not due on fixed deposits with banks	**4.25**	1.49
Other advances	**0.76**	4.91
IPO expenses recoverable @	**73.02**	69.78
	226.54	179.42

* The Group has accrued following export incentives of ₹153.84 (31 March 2020 ₹147.92).

a) Incentive under Merchandise Exports from India Scheme of ₹53.97 (31 March 2020 ₹74.80)

b) Duty Free Import Authorization of ₹93.43 (31 March 2020 ₹73.12)

c) Incentive under Transport and Market Assistance Scheme of ₹6.44 (31 March 2020 ₹Nil)

@ In relation to the IPO expenses incurred for the secondary sales of shares by certain shareholders of the Holding Company during the year ended 31 March 2019, the selling shareholders at that time had confirmed that the expenses incurred by the Holding Company till date and future expenses (including any tax reimbursements) will be reimbursed by each of them on a proportionate basis (i.e. in proportion to the respective shares sold in the offer for sale portion of the IPO by such selling shareholders). These expenses had been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. However, the said secondary sale was cancelled and the aforesaid selling shareholders bore the aforesaid IPO expenses.

(All amounts are in rupees million, unless otherwise stated)

Management revived its Initial Public Offer (IPO) plan by way of primary and secondary sales of shares during the year ending 31 March 2021. Further, in relation to the fresh IPO expenses incurred till date and future expenses (including any tax reimbursements), the Holding Company and the selling shareholders have confirmed that the expenses incurred by the Holding Company will be shared between the Holding Company and the selling shareholders in proportion to the number of shares issued in case of a fresh issue or offered for sale portion of the IPO by such selling shareholders. These expenses have been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. Also refer note 42 and 56.

19 OTHER CURRENT ASSETS

Particulars	As at 31 March 2021	As at 31 March 2020
Advances recoverable in cash or kind	**77.64**	60.31
Less: provision for doubtful advances recoverable in cash or kind	**(11.90)**	(1.74)
Prepaid expenses	**13.77**	-
Right to recover returned goods	**6.40**	-
Balances with statutory/government authorities	**4.06**	34.77
- Considered good	**-**	-
	89.97	93.34

20 SHARE CAPITAL

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
65,000,000 (as at 31 March 2020: 57,850,000) equity shares of ₹10/- each	**650.00**	578.50
Issued, subscribed and paid-up		
58,746,514 (as at 31 March 2020: 57,267,922) equity shares of ₹10/- each	**587.47**	572.68
	587.47	572.68

a. Terms and rights attached to equity shares

(i) The Company has issued one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

(ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount
Outstanding as at 1 April 2019	**5,72,67,922**	**572.68**
Share based option exercised during the year	-	-
Outstanding as at 31 March 2020	5,72,67,922	572.68
Shares issued during the year	14,08,592	14.09
Share based options exercised during the year	70,000	0.70
Outstanding as at 31 March 2021	**5,87,46,514**	**587.47**

(All amounts are in rupees million, unless otherwise stated)

c. Details of shareholders holding more than 5% shares in the Company:

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹10 each fully paid				
Anoop Bector	**1,25,50,800**	**21.36%**	2,28,48,674	39.90%
Anoop Bector (AB Family Trust)	**59,55,462**	**10.14%**	-	-
Ishaan Bector (IB Family Trust)	**47,63,111**	**8.11%**	-	-
Survir Bector (SB Family Trust)	**47,63,111**	**8.11%**	-	-
GW Crown Pte Limited	**47,12,163**	**8.02%**	1,11,70,496	19.51%
Linus Private Limited	**46,13,846**	**7.85%**	1,31,20,790	22.91%

d. Aggregate number of shares allotted or fully paid up during the last five years immediately preceding balance sheet date pursuant to contract without payment received in cash and/or by way of fully paid bonus shares

Particulars	Number of Shares					
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	2,86,33,811	-	-
	-	-	-	2,86,33,811	-	-

e. Shares reserved for issue under options

Information relating to Company's option plan, including details of options issued, exercised, and lapsed during the year and options outstanding at the end of the reporting year, is set out in note 48.

21 OTHER EQUITY

	Particulars	As at 31 March 2021	As at 31 March 2020
a	**Capital reserve**		
	Balance at the beginning of the year	**13.17**	13.17
	Less: Movement during the year	-	-
	Balance at the end of the year	**13.17**	13.17
b	**Securities premium**		
	Balance at the beginning of the year	**243.92**	243.92
	Add:- Shares issued during the year	**391.31**	-
	Add:- Share based options exercised during the year	**15.86**	-
	Less: Utilised for IPO expenses	**(22.71)**	-
	Balance at the end of the year	**628.38**	243.92
c	**Retained earnings**		
	Balance at the beginning of the year	**2,337.24**	2,092.67
	Add: Profit for the year	**722.76**	303.11
	Add: Other comprehensive (loss) for the year	**(0.37)**	(6.43)
	Less: Interim dividend paid	-	(42.95)
	Less: Dividend distribution tax on interim dividend	-	(9.16)
	Balance at the end of the year	**3,059.63**	2,337.24

(All amounts are in rupees million, unless otherwise stated)

	Particulars	As at 31 March 2021	As at 31 March 2020
d	**Share options outstanding account**		
	Balance at the beginning of the year	**8.33**	8.35
	Share based expense	**0.90**	2.79
	Share based option exercised during the year	**(4.34)**	-
	Share based option forfeited during the year	**-**	(2.81)
	Balance at the end of the year	**4.89**	8.33
e	**General reserve**		
	Balance at the beginning of the year	**18.88**	18.88
	Less: Movement during the year	**-**	-
	Balance at the end of the year	**18.88**	18.88
	Total	**3,724.95**	2,621.54

Tax on dividend paid is net of credit of ₹Nil (₹8.67 for the year ended 31 March 2020). Credit is on account of dividend distribution tax on dividend received from subsidiary company.

Particulars

Capital reserve

Capital reserve is on account of the business combination transaction as per the Court Scheme dated 04 July 2014.

Securities premium

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

Remeasurement of defined benefit plans (included in retained earnings)

Remeasurements of defined benefit plans represents the following as per Ind AS 19, employee benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under the employee stock option scheme.

Particulars	As at 31 March 2021	As at 31 March 2020
Dividends		
The following dividends were declared by the Company during the year: ₹2.40 per equity share (31 March 2020: ₹0.75)	**140.99**	42.95
Total	**140.99**	42.95

Notes to Consolidated Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

22 NON-CURRENT BORROWINGS

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans (Refer note (a))		
From banks (Secured) @	**1,253.08**	1,126.96
Vehicle loans (Refer note (a))		
From banks (Secured)	**21.45**	6.59
From Others (Secured)	**-**	-
Total non-current borrowings	**1,274.53**	1,133.55
Less: Current maturities of long term debt @	**(124.16)**	(274.61)
Less: Interest accrued but not due on borrowings @	**(2.07)**	(2.41)
Non-current borrowings	**1,148.30**	856.53

(a) Terms and conditions of outstanding borrowings are as follows:

Particulars	ICICI Bank Limited*	HDFC Bank Limited**	Vehicle loans***	Interest accrued but not due	Total
Principal amount					
As at 31 March 2021	611.36	639.77	21.33	2.07	1,274.53
As at 31 March 2020	684.99	439.60	6.55	2.41	1,133.55
Year of maturity	2028-29	2027-28	2024-25	-	-
Term of repayment	monthly basis	monthly basis	monthly basis	-	-
Nominal Interest rate	7.60% - 9.60%	7.45% - 8.80%	7.25% - 9.36%	-	-

* The term loan of ICICI Bank Limited is secured by exclusive charge on all moveable and immovable fixed assets (PPE) both current and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant.

** The term loan of HDFC Bank Limited is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Greater Noida unit. These loans are further secured by way of collateral security of equitable mortgage of factory land measuring 18,720 Sqm situated at 11- A, Udyog Vihar, Greater Noida.

***Vehicle loans taken from banks and others are secured by hypothecation of respective vehicles.

Term Loans

Name of the lender	Penalty Clause	Prepayment
ICICI Bank Limited	Default interest Rates in respect of Domestic term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate +2% per annum payable monthly, from the due date till such time the overdue amount is paid. Default interest Rates in respect of International term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% per annum payable monthly, from the due date till such time the overdue amount is paid.	1% of the prepayment amount

@ Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks, the Group has availed the option in the term loans from ICICI Bank Limited and HDFC Bank Limited. However, the interest and principal amount of the moratorium period has been already paid by the Group.

(All amounts are in rupees million, unless otherwise stated)

(b) Net debt reconciliation

The following sections sets out an analysis of net debt and the movements in net debt for each of the year presented:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	**347.35**	206.99
Bank balances other than cash and cash equivalents	**500.11**	95.50
Other financial assets	**0.11**	0.26
Lease liabilities (current and non-current)	**(15.38)**	(26.81)
Current borrowings	**(32.52)**	(180.51)
Non-current borrowings (excluding interest accured)	**(1,272.46)**	(1,131.14)
Interest accrued but not due on borrowings	**(2.07)**	(2.41)
Net debt	**(474.86)**	(1,038.12)

Particulars	Financial assets			Liabilities from financing activities				Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	
Net debt as at 1 April 2020	**206.99**	**95.50**	**0.26**	**(1,131.14)**	**(180.51)**	**(2.41)**	**(26.81)**	**(1,038.12)**
Cash flows	140.36	404.61	(0.15)	(141.32)	147.99	-	11.63	563.12
Interest expense	-	-	-	-	-	(91.44)	(1.64)	(93.08)
Interest paid	-	-	-	-	-	91.78	-	91.78
Other non-cash movements								
- Deletions	-	-	-	-	-	-	1.44	1.44
Net debt as at 31 March 2021	**347.35**	**500.11**	**0.11**	**(1,272.46)**	**(32.52)**	**(2.07)**	**(15.38)**	**(474.86)**

Particulars	Financial assets			Liabilities from financing activities				Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	
Net debt as at 1 April 2019	**55.28**	**65.02**	**0.41**	**(1,285.07)**	**(327.09)**	**(4.81)**	**-**	**(1,496.26)**
Transition impact of adoption of Ind AS 116	-	-	-	-	-	-	(42.07)	(42.07)
Cash flows	151.71	30.48	(0.15)	153.93	146.58	-	18.17	500.72
Interest expense	-	-	-	-	-	(150.39)	(2.91)	(153.30)
Interest paid	-	-	-	-	-	152.79	-	152.79
Net debt as at 31 March 2020	**206.99**	**95.50**	**0.26**	**(1,131.14)**	**(180.51)**	**(2.41)**	**(26.81)**	**(1,038.12)**

23 PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Compensated absences (refer note 46)	**21.06**	19.50
Gratuity (refer note 46)	**53.08**	41.72
	74.14	61.22

(All amounts are in rupees million, unless otherwise stated)

24 INCOME TAX

A. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current year	**238.03**	127.98
Tax adjustment for earlier years	**(5.82)**	0.99
	232.21	128.97
Deferred tax credit		
MAT credit reversal/(entitlement)	**-**	20.12
Changes in recognised temporary differences	**15.76**	(29.96)
Effect of changes in tax rate	**-**	(32.09)
	15.76	(41.93)
Total Tax Expense	**247.97**	87.04

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Defined benefit plan	**(0.48)**	**0.11**	**(0.37)**	(8.60)	2.17	(6.43)
	(0.48)	**0.11**	**(0.37)**	(8.60)	2.17	(6.43)

C. Reconciliation of effective tax rate

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	**25.17%**	**970.73**	25.17%	390.15
Tax using the Group's domestic tax rate		**244.31**		98.19
Tax effect of:				
Non-deductible expenses	**0.39%**	**3.75**	0.34%	1.33
Effect of difference in tax rate of subsidiaries	**0.00%**	**-**	0.00%	-
Changes in estimates related to earlier years	**0.00%**	**-**	0.14%	0.53
Effect of changes in tax rate	**0.00%**	**-**	-8.23%	(32.09)
MAT credit reversal	**0.00%**	**-**	4.79%	18.69
Others	**-0.01%**	**(0.09)**	0.10%	0.39
Tax expense	**25.54%**	**247.97**	22.31%	87.04

D. Movement in deferred tax balances

Particulars	As at 1 April 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
Deferred Tax Liability				
Property, plant and equipment	200.73	(18.94)	-	**181.79**
Right-of-use assets	6.47	(2.79)	-	**3.68**
Other items	-	-	-	**-**
Sub- Total (a)	**207.20**	**(21.73)**	**-**	**185.47**
Deferred Tax Assets				
Provisions - employee benefits	20.89	3.05	0.11	**24.05**
Allowances on doubtful receivables	25.58	(1.24)	-	**24.34**

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 1 April 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
MAT credit entitlement	-	-	-	**-**
Deferred income on grants	37.47	(5.96)	-	**31.51**
Others	44.08	(33.34)	-	**10.74**
Sub- Total (b)	**128.02**	**(37.49)**	**0.11**	**90.64**
Deferred tax Liabilities (net) (a)-(b)	**79.18**	**15.76**	**(0.11)**	**94.83**

Particulars	As at 1 April 2019	Recognized in P&L	Recognized in OCI	As at 1 April 2020
Deferred Tax Liability				
Property, plant and equipment	287.33	(86.60)	-	200.73
Right-of-use assets	-	6.47	-	6.47
Other items	3.39	(3.39)	-	-
Sub- Total (a)	**290.72**	**(83.52)**	**-**	**207.20**
Deferred Tax Assets				
Provisions - employee benefits	21.83	(3.11)	2.17	20.89
Allowances on doubtful receivables and advances	16.71	8.87	-	25.58
MAT credit entitlement	20.12	(20.12)	-	-
Deferred income on grants	58.60	(21.13)	-	37.47
Others	50.19	(6.11)	-	44.08
Sub- Total (b)	**167.45**	**(41.59)**	**2.17**	**128.02**
Deferred tax Liabilities (net) (a)-(b)	**123.27**	**(41.93)**	**(2.17)**	**79.18**

Note: Section 115BAA of the Income Tax Act, 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gave a one time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Group determined that it will recognize tax expense at the new reduced income tax rates after doing the benefit analysis of existing deductions as compared to reduced tax rates under the new tax regime. Accordingly, the Group had written back deferred tax liability aggregating to ₹32.09 and reversed MAT credit entitlement of ₹20.12 during the year ended 31 March 2020 which represented the effect of the total adjustment over the year due to the change in income tax rate.

25 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income on government grants	**104.33**	131.40
	104.33	131.40

The Group had been awarded grants under Export Promotion Capital Goods Scheme (EPCG), Agricultural and Processed Food Products Export Development Authority (APEDA), Technology Upgradation, Establishment, Modernisation of Food Processing Industries under NMFP and Scheme for Cold Chain and Value Addition Infrastructure. The Group has not received any grant of capital nature during the year ended 31 March 2021 and 31 March 2020. The grants received in earlier years were conditional upon fulfillment of export obligations in case of EPCG purchase of specified plant and machinery in a specified region. The amount received under grants is recognised as deferred income and is being amortised over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

(All amounts are in rupees million, unless otherwise stated)

26 CURRENT BORROWINGS

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from banks repayable on demand (secured)*	**32.52**	165.33
Loans from related parties (unsecured)**	-	15.18
	32.52	180.51

* The facilities availed from State Bank of India Limited carries floating rate of interest @ Nil per annum (MCLR + 0.25% to 1.25% ranging from 8.75% to 10.30% per annum for the year ended 31 March 2020.

The Group has also taken the working capital limits from HDFC Bank Limited which are secured against entire current assets (existing and future) of Noida Unit. The facilities availed from HDFC Bank Limited carries floating rate of interest @ MCLR + 0.30% @ ranging from 7.20% to 8.75% per annum (MCLR + 0.30% ranging from 8.45% to 8.75% per annum for the year ended 31 March 2020). (Refer Note 15 cash and cash equivalents).

The Group has also taken the working capital limits from ICICI Bank Limited Ltd. which are secured by exclusive charge on all moveable and immovable fixed assets (PPE) both and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant. The facilities availed from ICICI Bank Limited carries floating rate of interest @ MCLR + 0.60% @ ranging from 7.50% to 8.75% per annum (MCLR + 0.60% to 1.25% ranging from 8.60% to 9.10% per annum for the year ended 31 March 2020).

** Unsecured loans from directors and their relatives carried interest @ 7.90% per annum (31 March 2020: 8.25% per annum). These loans were subordinate to the term loans from State Bank of India Limited and have been repaid after the closure of the loan facilities from State Bank of India Limited during the year ended 31 March 2021. Refer note 47 on transactions with related parties.

Name of the lender	Penalty Clause
State Bank of India Limited	The Group will maintain adequate net working capital at all times to meet margin requirements and in case of shortfall in NWC/excess borrowings, the Bank will charge penal interest @1.00% per annum over and above the normal interest rate applicable. In case of non compliance of current stipulations within the stipulated period, penal rate of interest@ 1% p.a. over and above the normal interest rate will be charged on entire outstanding for year of delay. Irregularity in fund based Limits: @ 2% per annum on the entire outstanding for year of irregularity on the irregular portion for year of irregularity. However, in case the account is continuously irregular for year beyond 60 days, penal rate of interest will be charged on the entire outstanding from the 61st day onwards. Non-submission of renewal data including Audited Balance Sheet: Listed Companies if not submitted within 7 months-₹10,000/-per month of delay. For others, if not submitted within 9 months of delay-₹10,000/-per month.
ICICI Bank Limited	In such event of default, bank is either of facility at liberty to recall all the facility extended to the Group. 1 % (The rate will be over and deemed to be an event of above the interest rate of the default for all other facility facility) on the limit amount for the delayed period will be charged for the Group for the default period.
HDFC Bank Limited	The bank reserves the right to charge an additional 2% per annum interest rate over and above the normal interest rate on the outstanding amount in case of non-submission of renewal documents. Commitment charges @0.50% per annum to be charged on quarterly basis on the entire unutilized portion if average utilization is less than 60%.

(All amounts are in rupees million, unless otherwise stated)

27 TRADE PAYABLES

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	**52.69**	59.19
Total outstanding dues of creditors other than micro enterprises and small enterprises**	**519.94**	411.08
	572.63	470.27

* Refer note 45 for disclosures required under MSMED Act.

**Includes dues to related parties (refer note 47)

28 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term debt (refer note 22)	**124.16**	274.61
Interest accrued but not due on borrowings	**2.07**	2.41
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises*	**16.54**	15.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	**48.88**	14.08
Security and other trade deposits	**31.22**	25.51
Forward exchange contracts used for hedging	**-**	12.50
	222.87	344.72

* Refer note 45 for disclosures required under MSMED Act.

29 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income		
Government grants (refer note 25)	**20.86**	17.48
Advances from customers (Contract liability)	**41.31**	26.00
Refund liability	**17.47**	-
Book overdraft	**-**	-
Statutory dues payable	**20.24**	17.58
Employee payable*	**88.74**	77.25
	188.62	138.31

*Includes dues to related parties (refer note 47)

30 PROVISIONS

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer note 46)		
Compensated absences	**1.68**	1.45
Gratuity	**3.30**	2.44
Others:		
Provision for litigation (refer note (a))	**25.14**	145.42
Provision for sales return (refer note (b))	**-**	7.58
	30.12	156.89

(All amounts are in rupees million, unless otherwise stated)

(a) Provision for litigation*

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the commencement of the year	**145.42**	131.28
Add: Provision made during the year	**4.52**	14.14
Less: Provision utilised/reversed during the year	**(124.80)**	-
Balance at the end of the year	**25.14**	145.42

*refer note 43A(d) for details of pending litigation

(b) Provision for sales return

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the commencement of the year	**7.58**	6.97
Add: Provision made during the year**	**-**	7.58
Less: Provision utilised/reversed during the year	**(7.58)**	(6.97)
Balance at the end of the year	**-**	7.58

** This represents provision made for possible sales returns by the customers for sales made by the Group, as estimated on the basis of past trends.

31 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax (net of advance tax)	**15.47**	18.74
	15.47	18.74

32 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products*	**8,085.61**	6,862.44
Sale of services**		
Job work income	**410.25**	471.16
Total (A)	**8,495.86**	7,333.60
Other operating revenue		
Export incentives (refer note 18)	**153.84**	147.92
Net gain on account of foreign exchange fluctuations	**37.49**	37.40
Sale of scrap	**44.31**	36.67
Others**	**75.76**	65.63
Total (B)	**311.40**	287.62
Total revenue from operations (A + B)	**8,807.26**	7,621.22

(All amounts are in rupees million, unless otherwise stated)

Reconciliation of revenue recognized with the contracted price is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contracted price	**8,913.99**	7,648.91
Reductions towards variable consideration components (discounts, rebates and others)	**418.13**	315.31
Revenue recognised	**8,495.86**	7,333.60

Contract Balances

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ sale of goods. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards sale of goods. Revenue is recognised once the performance obligation is met i.e. on sale of goods.

Particulars	As at 31 March 2021	As at 31 March 2020
Contract liabilities		
- Advances from customer	**41.31**	26.00
- Refund liability	**17.47**	-
Contract Assets		
- Receivables, which are included in trade receivables	**719.72**	750.23

Note: Considering the nature of business of the Group, the above contract liabilities are generally materialised as revenue and contract assets are converted into cash/trade receivables within the same operating cycle.

* Also refer note 43

** Also refer note 44

33 OTHER INCOME

Particulars	As at 31 March 2021	As at 31 March 2020
Interest income from financial assets at amortized cost	**18.76**	6.82
Interest income from others	**1.14**	1.37
Government grants (refer note 25)	**23.69**	18.82
Net profit on sale/write off of property, plant and equipment	**0.28**	0.59
Liabilities no longer required written back*	**55.84**	-
Other miscellaneous income **	**1.55**	0.94
	101.26	28.54

* Also refer note 42.

** Also refer note 44.

34 COST OF MATERIALS CONSUMED

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials (including purchased components and packing material consumed)		
Opening inventories	**209.28**	173.01
Add: Purchases (net)	**4,744.13**	4,149.42
Less: Closing inventories	**275.20**	209.28
	4,678.21	4,113.15

Notes to Consolidated Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

35 PURCHASE OF STOCK-IN-TRADE

Particulars	As at 31 March 2021	As at 31 March 2020
Purchase of stock-in-trade	**6.30**	3.70
	6.30	3.70

36 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN- TRADE AND WORK-IN-PROGRESS

Particulars	As at 31 March 2021	As at 31 March 2020
Opening inventories		
Finished goods	**192.11**	147.58
Work-in-progress	**0.48**	3.08
Stock-in-trade	**0.42**	-
Total (A)	**193.01**	150.66
Closing inventories		
Finished goods	**259.58**	192.11
Work-in-progress	**1.41**	0.48
Stock-in-trade	**-**	0.42
Total (B)	**260.99**	193.01
Total (A-B)	**(67.98)**	(42.35)

37 EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March 2021	As at 31 March 2020
Salaries and wages	**1,175.76**	1,093.96
Contribution to provident and other funds (refer note 46)	**57.34**	55.14
Share-based payment to employees (refer note 48)	**0.90**	-
Staff welfare expenses	**34.56**	29.87
	1,268.56	1,178.97

38 FINANCE COSTS

Particulars	As at 31 March 2021	As at 31 March 2020
Interest expense on financial liabilities measured at amortised cost :		
Loan from banks	**79.33**	123.39
Lease liabilities (refer note 5)	**1.64**	2.91
Others	**14.23**	24.09
	95.20	150.39

Also refer note 4

(All amounts are in rupees million, unless otherwise stated)

39 DEPRECIATION AND AMOTISATION EXPENSE

Particulars	As at 31 March 2021	As at 31 March 2020
Depreciation on property, plant and equipment	**429.77**	392.86
Depreciation on right-of-use assets (refer note 5)	**11.34**	17.83
Amortisation on other intangible assets	**5.72**	5.84
	446.83	416.53

40 OTHER EXPENSES

Particulars	As at 31 March 2021	As at 31 March 2020
Rent (refer note 5 and note 44)	**19.63**	18.10
Rates and taxes	**10.34**	9.81
Power and fuel #	**386.65**	392.21
Repair and maintenance:		
Plant and machinery	**63.75**	63.29
Buildings	**10.92**	7.77
Others	**7.69**	7.95
Travelling and conveyance #	**59.68**	89.44
Payment to auditor (refer note (a) below)	**6.46**	5.78
Legal and professional fees	**18.29**	20.41
Printing and stationery	**3.36**	3.76
Net change in fair value of financial assets measured at fair value through profit and loss	**-**	-
Advertisement and sales promotion	**104.42**	123.60
Consumption of stores and spare parts	**39.86**	41.57
Commission and brokerage	**6.46**	4.88
Communication costs	**7.80**	9.89
Directors' remuneration	**56.62**	52.29
Freight and forwarding	**607.18**	454.80
Insurance	**20.60**	12.99
Net loss on sale of property, plant and equipment	**0.44**	-
Allowances on trade receivable and other advances	**42.67**	71.18
Bank charges #	**3.72**	5.50
Expenditure on Corporate social responsibility (refer note 54)	**11.61**	1.18
Miscellaneous expenses #	**23.45**	43.19
	1,511.60	1,439.59

(a) Payment to auditors*

Particulars	As at 31 March 2021	As at 31 March 2020
As auditor		
Statutory audit	**6.13**	5.21
Other services (including reimbursement of expenses)*	**0.23**	0.37
Certification	**0.05**	0.20
	6.41	5.78

* Excludes fees paid to statutory auditor of ₹17.17 (previous year - Nil) including reimbursement of expenses amounting ₹0.67 (previous year - Nil) for IPO related expenses,. Also refer note 56.

Also refer note 4

(All amounts are in rupees million, unless otherwise stated)

41 EARNING PER SHARE (EPS)

A. Basic earnings per share

Particulars	As at 31 March 2021	As at 31 March 2020
i. Profit for basic earning per share of ₹10 each		
Profit for year	**722.76**	303.11
ii. Weighted average number of equity shares for (basic)		
Balance at the beginning of the year	**57.26**	57.26
Effect of issue of shares	**0.39**	-
Effect of issue of ESOP shares	**0.02**	-
	57.67	57.26
Basic Earnings per share (face value of ₹10 each)	**12.53**	5.29

B. Diluted earnings per share

Particulars	As at 31 March 2021	As at 31 March 2020
i. Profit for diluted earning per share of ₹10 each		
Profit for year	**722.76**	303.11
ii. Weighted average number of equity shares for (diluted)		
Balance at the beginning of the year	**57.26**	57.26
Effect of issue of shares	**0.39**	-
Effect of issue of ESOP shares	**0.02**	-
Effect of employee stock options	**0.04**	0.07
	57.71	57.33
Diluted Earnings per share (face value of ₹10 each)	**12.52**	5.29

42 CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

A. Contingent Liabilities

On the basis of current status of below-mentioned individual cases and as per legal advice obtained by the Group, wherever applicable, the Group is confident that the outcome in the below cases would be in the favour of the Group and is of view that no provision is required in respect of these cases.

a. Claims against the Group not acknowledged as debts (The Group expects a favourable outcome against all the cases):

Particulars	As at 31 March 2021	As at 31 March 2020
I Income Tax related matters	**38.10**	**31.03**
i) Relating to Income tax demand on certain disallowance for AY 2010-11*	**0.00**	0.00
ii) Relating to Income tax demand on certain disallowance for AY 2011-12	**0.13**	0.13
iii) Relating to Income tax demand on certain disallowance for AY 2013-14	**1.83**	1.83
iv) Relating to Income tax demand on certain disallowance for AY 2015-16	**0.18**	0.18
v) Relating to Income tax demand on certain disallowance for AY 2017-18	**28.89**	28.89
vi) Relating to Income tax demand on certain disallowance for AY 2018-19	**7.07**	-

* The total amount of income tax demand in absolute value is ₹4,238, but for reporting purpose rounded upto ₹0.00 million.

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
II Sales tax related matters		
i) Sales Tax demand for assessment year 2005-06 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	**3.01**	3.01
ii) Sales Tax demand for assessment year 2006-07 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	**4.83**	-
iii) Sales Tax demand for assessment year 2012-13 on account of sales tax liability on taxable sales not deposited in the state of Maharashtra	**0.88**	0.88

Particulars	As at 31 March 2021	As at 31 March 2020
III Civil matters		
i) Stamp duty case for the plot taken on 99 years lease in Noida	**9.10**	9.10

b. In respect of bank guarantees

Particulars	As at 31 March 2021	As at 31 March 2020
Guarantees given by the Group	**-**	8.35
	-	8.35

c. Others

Particulars	As at 31 March 2021	As at 31 March 2020
i) Differential amount of Customs Duty payable by the Group in case of non fulfilment of export obligation against the import of capital goods made at concessional rate of duty. Based on the past sales performance and the future sales plan, management is quite hopeful to meet out the obligations by executing the required volume of exports in future.	**26.63**	76.08
ii) Customs Duty saved against Bonded Manufacturing Scheme (MOOWR scheme) on import of capital goods. The Group has submitted bonds of ₹308.90 million (previous year - Nil) which represents three times of duty saved. Duty will be payable in case of domestic sale of capital goods. Based on Group's assessment of use of capital goods, management is quite hopeful that liability will not arise for the same.	**102.83**	-
iii) Impact of bonus due to restrospective amendment in the Payment of Bonus Act, 1965 for the financial year 2014-15 since matter is sub-judice in similar case.	**10.48**	10.48

The Group had entered into lease agreement with M.P Audyogik Kendra Vikas Nigam Indore Ltd (authorities) on 12 Feb 2018 for lease of land in Industrial Park, Distt Dhar (M.P). As per agreement, the Group had proposed to invest ₹2,500 by 2021-22. The Group has sought an extension for 3 years (i.e. till 20 March 2025) to start the production due to Covid-19 and major economic disruption. Management is in the process of getting the acknowledgement from the relevant authorities on the approval of extension. As per a legal opinion obtained by the Group, no penalty can be imposed by the authorities upon the Group subject to the condition that plant and machineries are ready for production by 20 March 2022 i.e. within 4 years of taking possession of the said land.

d. Other pending litigations

(a) The Group had obtained a stay against Himachal Pradesh Government order levying entry tax @ 2% on goods entering the state. The same was reduced to 1% with effect from 13 July 2011 and thereafter increased to 2% with effect from 1 March 2014. The Hon'ble High Court had stayed the matter in an earlier year. The Group had provided for the estimated amount of entry tax including interest in the books of account. During the year ended 31 March 2021, the Group has opted for the H.P. (Legacy Cases Resolution) Scheme 2019 and paid ₹65.70 as full and final settlement towards the entry tax liability as against ₹123.79 provision in the books of account. Accordingly, an amount of ₹55.43 has been written back and disclosed under "Liabilities no longer required written back" in Other Income and an amount of ₹2.60, representing interest accrued on the principal amount for the current year, was netted from "Others" in Finance costs. The estimated amount of entry tax as at 31 March 2020 was ₹121.13 (including interest of ₹61.89) which was provided in the books of accounts. The Group had also provided a bank guarantee for an amount of ₹39.41 as at 31 March 2020 in this regard which had been subsequently being released.

(b) The Group had obtained a stay against Punjab VAT Act levying entry tax on Furnace Oil on the basis of High Court judgment delivered on the same point in an another case which is pending before Supreme Court. The estimated amount of tax and interest thereon upto 31 March 2021 of ₹4.52 (31 March 2020 ₹4.22) (including interest of ₹2.82 (31 March 2020 ₹2.53)) has been provided in the books of accounts.

(c) A demand of ₹2.37 and ₹3.75 related with FY 2008-09 and FY 2009-10 respectively is pending with DETC, Ludhiana. The matter is related with input tax credit claimed by assesse on purchase of HSD. The Group has demanded to start the proceeding without depositing the 25% of amount demanded. The department has rejected the appeal of the Group. The Group filed the writ petition in High Court which accepted the contention of assessee & remanded the case back to DETC, Ludhiana. The Group had created the provision in books for amount demanded and has also accrued the interest @ 1.5% per month. Therefore the provision for an amount of ₹5.77 (31 March 2020 ₹5.35) and ₹9.78 (31 March 2020 ₹9.10) includes an interest of ₹3.40 (31 March 2020 ₹2.98) and ₹6.03 (31 March 2020 ₹5.35) respectively.

(d) A demand of ₹1.91 (31 March 2020 ₹1.91), 1.60 (31 March 2020 ₹1.60) and 0.09 (31 March 2020 ₹Nil) for assessment year 2013-14, 2014-15 and 2016-17 respectively on account of pending C forms and F forms raised by Deputy Commissioner, Gautam Budh Nagar Noida, Uttar Pradesh pending to be deposited with the sales tax department has been provided for in the books of accounts.

(e) A demand of ₹0.12 (31 March 2020 ₹0.12), 0.82 (31 March 2020 ₹0.82) and 0.15 (31 March 2020 ₹0.15) for assessment year 2011-12, 2012-13 and 2013-14 respectively on account of pending C forms and F forms raised by VAT Officer, Delhi pending to be deposited with the sales tax department has been provided for in the books of accounts.

(f) A demand of ₹Nil (31 March 2020 ₹0.01), Nil (31 March 2020 ₹0.25) and Nil (31 March 2020 ₹0.46) for assessment year 2012-13, 2013-14 and 2014-15 respectively on account of pending C forms and F forms raised by Assistant Commissioner, Vanasthalipuram, Telegana pending to be deposited with the sales tax department has been provided for in the books of accounts.

(g) A demand of ₹Nil (31 March 2020 ₹0.30) and ₹0.38 (31 March 2020 ₹Nil) for assessment year 2014-15 and 2015-16 respectively on account of pending C forms and F forms raised by Deputy Commissioner, Raigad, Maharashtra pending to be deposited with the sales tax department has been provided for in the books of accounts.

e. The selling shareholders have confirmed that the total IPO expenses incurred by the Group till date amounting to ₹265.17 (₹69.78 till the year ended 31 March 2020) and future expenses, including any tax reimbursements incurred by the Group will be shared between the Company and the selling shareholders in proportion to the number of shares issued in case of a fresh issue or offered for sale portion of the IPO by such selling shareholders. These expenses have been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. Management has assessed the deemed dividend implications under section 2(22)(e) of the Income-tax Act, 1961 ('the Act') limited to the share of expenses incurred by the Group on behalf of the shareholders. Based on legal consultations and in absence of any judicial precedents directly on the issue, management believes that there is no deemed dividend implication in the transaction under Income tax act and accordingly has not paid / provided for any amount for deemed dividend tax on these IPO expenses.

(All amounts are in rupees million, unless otherwise stated)

f. Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and year from which the same applies. The Group has assessed that there was no impact of the same for current year since providend fund was already deducted on such special allowance for current year. Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Group had not recognised any provision for the years prior to 28 February 2019. Further, management also believes that the impact of the same on the Group will not be material.

B. Contingent Assets

The Group has filed for receiving grant from Ministry of Food Processing Industries under Scheme for Cold Chain and Value Addition Infrastructure amounting to ₹96.88. The Group has received grant amounting to ₹61.81 till period ended 31 March 2021 (₹61.81 till the year ended 31 March 2020). This grant is conditional upon fulfillment of conditions specified in the scheme and as approved by the authorities. The Group expects that it is more likely than not that, it will receive the balance instalment of grant amounting to ₹35.07 in future periods as and when approved.

C. Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹35.13 (as on 31 March 2020 ₹335.41).

43 SEGMENT REPORTING

Basis for segmentation

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's management and internal reporting structure.

Operating Segments

The Group's Board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger and acquisition, and expansion of any new facility.

In the opinion of the Board, there is only one reportable segment ("Revenue from food products"). Accordingly, no separate disclosure for segment reporting is required to be made in the consolidated financial statements of the Group.

Entity wide disclosures

A. Information about products and services

i) Revenue comprises :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from food products*	**8,495.86**	7,333.60
Total	**8,495.86**	7,333.60

*excludes other operating revenues.

B. Information about geographical areas

The geographical information analyses the Group's revenues by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

i) Revenue from external customers:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Within India	**6,457.56**	5,853.23
Outside India	**2,038.30**	1,480.37
Total	**8,495.86**	7,333.60

(All amounts are in rupees million, unless otherwise stated)

ii) **Receivables**

Particulars	As at 31 March 2021	As at 31 March 2020
Within India	**492.29**	564.69
Outside India	**227.43**	185.54
Total	**719.72**	750.23

iii) **Non-current assets**

The Group has common non-current assets for producing goods/ providing services to domestic and overseas markets. Hence, separate figures for other assets/ additions to property plants and equipment have not been furnished.

C. Information about major customers (from external customers)

during the year ended 31 March 2021, Group does not have transactions with any single external customer having 10% or more of its revenue. (₹Nil for year ended 31 March 2020).

D. Disaggregation of revenue

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition.

Contract	For the year ended 31 March 2021	For the year ended 31 March 2020
6 months or less	**8,495.86**	7,333.60
Total	**8,495.86**	7,333.60
Major product/ service line		
Sale of products	**8,085.61**	6,862.44
Sale of services		
Job work income	**410.25**	471.16
Total revenue	**8,495.86**	7,333.60

E. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Duration	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in trade receivables	**719.72**	750.23
Contract liabilities	**41.31**	26.00
Refund liability	**17.47**	-

44 LEASES

A. Leases as lessee:

a) The Group has taken various residential, office, warehouse and shop premises under lease agreements.

b) The aggregate lease rentals payable are disclosed in note 5 and note 40.

i. Leases as lessor

Operating lease

The Group has leased out a part of its building, plant and machinery under a job work arrangement. In addition, certain office premises have also been leased out. All these arrangements are under short term cancelable operating leases of less than 12 months.

(All amounts are in rupees million, unless otherwise stated)

Amounts recognised in profit or loss

During the year ended 31 March 2021, lease rentals of ₹73.23 (31 March 2020: ₹56.38) have been included in other operating revenue / other income (refer note 32 and 33). There is a contingency attached to the future lease income and are therefore can not be ascertained.

Particulars	For year 1 April 2020 to 31 March 2021	For year 1 April 2019 to 31 March 2020
Income generated from lease of building, plant and machinery under job work arrangement	**73.10**	56.22
Income generated from office premises lease	**0.13**	0.16

45 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at year end has been made in the consolidated financial statements based on information available with the Group as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	**51.86**	58.40
Capital creditors	**12.36**	11.79
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	**0.83**	0.79
Capital creditors	**4.18**	3.82
The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	**-**	-
The amount of interest due and payable for year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;		-
The amount of interest accrued and remaining unpaid at the end of the year		
Trade payables	**0.83**	0.79
Capital creditors	**4.18**	3.82
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
Trade payables	**0.83**	0.79
Capital creditors	**4.18**	3.82

46 EMPLOYEE BENEFITS

The Group contributes to the following post-employment defined benefit plans.

(i) Defined Contribution Plans:

Provident fund

The Group makes contribution towards provident fund for employees. The Group's contribution to the Employees Provident Fund is deposited to the government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The

(All amounts are in rupees million, unless otherwise stated)

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contribution payable to the plan by the Group is at the rate specified under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

During the year, the Group has recognised the following amounts in the consolidated Statement of Profit and Loss (included in note 37 - Employee benefits expense):

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to provident fund	**47.20**	43.85

(ii) Defined Benefit Plan:

Gratuity

The Group operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. This scheme is funded by the plan assets.

The Parent Company employee's gratuity fund scheme is managed by Life Insurance Corporation of India and State bank of India Life Insurance. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to no ceiling. Vesting occurs upon completion of 5 years of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each year of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021 and 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at balance sheet date:

Duration	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability		
Liability for Gratuity	**56.38**	44.16
Total employee benefit liabilities	**56.38**	44.16
Non-current	**53.08**	41.72
Current	**3.30**	2.44

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (assets)/ liability and its components:

Particulars	For the year ended 31 March 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April 2020	**97.42**	**53.26**	**44.16**
Included in Profit or loss			
Current service cost	17.72	-	17.72
Interest cost (income)	6.74	3.68	3.06
Past service cost	-	-	-
	24.46	**3.68**	**20.78**

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Included in OCI			
Remeasurements loss (gain)			
- financial assumptions	1.52	(0.58)	2.10
- demographic adjustments	-	-	-
- experience adjustment	(1.62)	-	(1.62)
	(0.10)	**(0.58)**	**0.48**
Other			
Return			
Contributions paid by the employer	-	7.00	(7.00)
Benefits paid	(5.02)	(2.98)	(2.04)
	(5.02)	**4.02**	**(9.04)**
Balance as at 31 March 2021	**116.76**	**60.38**	**56.38**

Particulars	For the year ended 31 March 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April 2019	**73.21**	**45.55**	**27.66**
Included in Profit or loss			
Current service cost	15.94	-	15.94
Interest cost (income)	5.61	3.48	2.13
Past service cost	-	-	-
	21.55	**3.48**	**18.07**
Included in OCI			
Remeasurements loss (gain)			
- financial assumptions	8.67	(0.77)	9.44
- demographic adjustments	0.05	-	0.05
- experience adjustment	(0.89)	-	(0.89)
	7.83	**(0.77)**	**8.60**
Other			
Return			
Contributions paid by the employer	-	5.00	(5.00)
Benefits paid	(5.17)	-	(5.17)
	(5.17)	5.00	(10.17)
Balance as at 31 March 2020	97.42	53.26	44.16

C. Plan Assets

Plan assets comprise of the following

Particulars	As at 31 March 2021	As at 31 March 2020
Investments with Life insurance corporation	**85.13%**	84.27%
Investments with SBI life insurance	**14.87%**	15.73%

(All amounts are in rupees million, unless otherwise stated)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

On an annual basis, an asset-liability matching study is done by the Group whereby the Group contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

D. Actuarial assumptions

a) Economic assumptions

The following were the principal actuarial assumptions at the reporting date. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Group's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:-

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	**6.80%**	6.91%
Expected rate of future salary increase	**7.00%**	7.00%

b) Demographic assumptions

Attrition rates are the Group's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the Group , business plan, HR Policy etc as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the Group.

Particulars		As at 31 March 2021	As at 31 March 2020
i)	Retirement age (years)	**60**	60
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	
iii)	Attrition at Ages	**Withdrawal rate (%)**	Withdrawal rate (%)
	Upto 30 years	**3.00%**	3.00%
	From 31 to 44 years	**2.00%**	2.00%
	Above 44 years	**1.00%**	1.00%

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	**(7.04)**	**7.75**	(5.97)	6.57
Expected rate of future salary increase (0.50% movement)	**7.52**	**(6.90)**	6.39	(5.86)

Senstivities due to mortality and withdrawals are not material and hence impact of change not calculated.
Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(All amounts are in rupees million, unless otherwise stated)

F. Expected maturity analysis of the defined benefit plans in future years

	As at 31 March 2021	As at 31 March 2020
Duration of defined benefit payments		
Less than 1 year	**3.30**	2.44
Between 1-2 years	**6.31**	3.03
Between 2-5 years	**13.89**	12.64
Over 5 years	**93.26**	79.31
Total	**116.76**	97.42

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 17.50 years (31 March 2020: 17.65 years).

Expected contribution to post-employment benefit plans in the next year is ₹25.33 (31 March 2020: ₹22.65).

G. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

a) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(iii) Other long-term employee benefits:

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the year in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such year, the benefit is classified as a long-term employee benefit. during the year ended 31 March 2021, the Group has incurred an expense on compensated absences amounting to ₹5.79 (31 March 2020 ₹8.94). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

47 RELATED PARTIES

A. Related parties and nature of relationship where control exists:

Associate

Cremica Agro Foods Limited

B. Key Managerial Personnel (KMP)

Anoop Bector	Managing Director
Ishaan Bector	Director
Parveen Kumar Goel	Executive Director and CFO
Nem Chand Jain	Independent Director till 16 March 2021
Subhash Agarwal	Independent Director

(All amounts are in rupees million, unless otherwise stated)

Rajeev Dewan	Independent Director
Rajni Bector	Non-executive Director till 31 March 2021
Tarun Khanna	Additional Director w.e.f. 14 February 2020 till 5 February 2021
Rahul Goswamy	Nominee Director
Pooja Luthra	Additional Director w.e.f. 19 September 2020

C. Relatives of key management personnel having transactions with the Group

	Anoop Bector	Ishaan Bector
Father	Dharamvir Bector *	Anoop Bector
Mother	Rajni Bector	Rashmi Bector
Spouse	Rashmi Bector	Neha Gupta Bector
Brother	Akshay Bector # Ajay Bector #	Suvir Bector
Son	Ishaan Bector Suvir Bector	- -

* Deceased on 26 December 2017.

Ceased to be related party w.e.f 8 December 2015 and 25 December 2014 respectively.

D. Related entities of KMP

Partnership firm
Sunshine Foods

Public/Private Limited Companies
Mrs. Bectors Cremica Dairies Private Limited

Hindu Undivided Family
Dharamvir and Sons (HUF)
Anoop Bector (HUF)
Parveen Goel (HUF)

E. Key management personnel compensation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits	**65.80**	59.91
Post-employment defined benefit	**0.47**	0.68
Director sitting fees	**0.43**	0.23
Share based payment to employees	**-**	0.11
Total compensation	**66.70**	60.93

F. Transactions with related parties*

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these entities transacted with the Group during the reporting year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis. The aggregate value of the

(All amounts are in rupees million, unless otherwise stated)

Group's transactions relating to key management personnel and entities over which they have control or significant influence is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee stock option exercised		
- Parveen Kumar Goel	**2.25**	-
Reimbursement of IPO expense received		
- Anoop Bector	**2.95**	-
Unsecured loan taken from		
- Anoop Bector	**-**	30.00
- Ishaan Bector	**-**	2.50
Unsecured loan repaid to		
- Anoop Bector	**14.02**	37.98
- Ishaan Bector	**1.39**	1.42
- Rajni Bector	**0.03**	0.16
Finance cost on loan taken		
- Anoop Bector	**0.25**	1.09
- Ishaan Bector	**0.02**	0.03
- Rajni Bector	**0.00**	0.00
Others		
Rent paid		
- Anoop Bector	**4.62**	4.62
- Anoop Bector HUF	**3.00**	3.00
Rent received		
- Cremica Agro Foods Limited	**0.06**	0.06
- Mrs. Bectors Cremica Dairies Private Limited	**0.05**	0.12
Contribution to provident and other funds		
- Rashmi Bector	**0.96**	1.13
- Neha Gupta Bector	**0.60**	0.55
- Suvir Bector	**1.06**	0.70
Interim dividend paid		
- Anoop Bector	**-**	17.14
- Anoop Bector HUF	**-**	1.50
- Ishaan Bector	**-**	1.79
- Rashmi Bector	**-**	0.91
- Suvir Bector	**-**	1.19
Consultancy charges paid		
- Subhash Agarwal	**0.45**	0.51
- Rajni Bector	**1.80**	-
Salary paid		
- Rashmi Bector	**8.25**	10.20
- Rajni Bector	**1.80**	3.60
- Neha Gupta Bector	**5.10**	4.80
- Suvir Bector	**9.00**	6.00

* Transactions are net off goods and services tax wherever applicable.

(All amounts are in rupees million, unless otherwise stated)

G. Related party balances as at year end:

Outstanding Balances	As at 31 March 2021	As at 31 March 2020
Trade and other payables		
- Anoop Bector	**2.98**	1.09
- Anoop Bector HUF	**0.26**	-
- Ishaan Bector	**0.85**	0.42
- Parveen Kumar Goel	**0.90**	0.36
- Rashmi Bector	**0.04**	0.76
- Neha Gupta Bector	**0.28**	0.00
- Suvir Bector	**0.40**	0.23
- Rajni Bector	**0.39**	0.17
- Ram Sanjeevan Verma	**0.32**	0.17
Unsecured loans		
- Anoop Bector	**-**	13.79
- Ishaan Bector	**-**	1.37
- Rajni Bector	**-**	0.03
Advances and other receivables		
- Cremica Agro Foods Limited	**0.04**	0.04
- Mrs. Bectors Cremica Dairies Private Limited	**0.13**	0.07
Non current investments		
- Cremica Agro Foods Limited	**39.21**	38.28

Note : Refer note 18 for IPO expenses recoverable from selling shareholders.

In the opinion of the management, all transactions were made on normal commercial terms and conditions and at arm's length price.

48 SHARE-BASED PAYMENT TO EMPLOYEES

A. Description of share-based based payment to employees

i. Share option programme (equity-settled)

On 30 June 2017, the Holding Company established share option programme that entitle certain employees of the Holding Company to purchase shares in the Holding Company. Under these plans, holders of vested options are entitled to purchase shares at the exercise price of the shares at respective date of grant of options. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	42,951	349.24	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	27,920	349.24	3 years and 9 months service from grant date	Service conditions

(All amounts are in rupees million, unless otherwise stated)

On 14 July 2017, the Holding Company modified share option programme by entitling grant holders of the Holding Company for bonus shares in the Holding Company in the ratio of 1:1.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	85,902	174.62	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	55,840	174.62	3 years and 9 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 3)	1-Oct-2018	34,359	174.62	2 years and 6 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 4)	19-Sep-2020	11,454	174.62	1 year and 8 months service from grant date	Service conditions

B. Measurement of fair values

i. Equity-settled share-based based payment to employees

The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

	Employees Stock Option Plan - 2017 (Grant 1)	Employees Stock Option Plan - 2017 (Grant 2)	Employees Stock Option Plan - 2017 (Grant 3)	Employees Stock Option Plan - 2017 (Grant 4)
Fair value of options at grant date	124.01	143.94	75.12	71.62
Enterprise value per share ar grant date	347.08	347.08	190.00	203.55
Exercise price at the grant date	349.24	349.24	174.62	174.62
Exercise price after bonus issue	174.62	174.62	174.62	174.62
Expected volatility (weighted-average)	34.11%	34.56%	27.12%	51.49%
Expected life (weighted-average)	2 years	3 years	2 years	2 years
Expected dividends	0.27%	0.27%	0.00%	0.37%
Risk-free interest rate (based on government bonds)	6.36%	6.44%	8.02%	4.48%

Note

1. The fair value of options has been done by an independent merchant banker on the date of grant using the Black-Scholes Model.
2. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

(All amounts are in rupees million, unless otherwise stated)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programme were as follows:

	31 March 2021		31 March 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees Stock Option Plan-2017				
Options outstanding at the beginning of the year	**1,31,417**	**174.62**	1,75,801	174.62
Add: Options granted during the year	**11,454**	**174.62**	-	-
Less: Options forefeited during the year	-	-	44,384	174.62
Less: Options exercised during the year	**70,000**	**174.62**	-	-
Less: Options expired during the year	-	-	-	-
Options outstanding at the end of the year	**72,871**	**174.62**	1,31,417	174.62
Exercisable at the end of the year	**38,748**	**174.62**	53,150	174.62

The options outstanding at 31 March 2021 had an exercise price of ₹174.62 and a weighted-average contractual life of 1.29 years.

D. Expense recognised in statement of profit and loss

For details of the employee benefit expenses, refer note 37.

49 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Accounting classifications and fair values

A. Financial instruments by category

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Non-current loans	-	**35.51**	-	35.25
Other non-current financial assets	-	**0.11**	-	0.26
Investments	-	**61.71**	-	-
Trade receivables	-	**719.72**	-	750.23
Cash and cash equivalents	-	**347.35**	-	206.99
Bank balances other than cash and cash equivalents	-	**500.11**	-	95.50
Current loans	-	**27.03**	-	3.57
Other current financial assets	**7.24**	**219.30**	-	179.42
	7.24	**1,910.84**	-	1,271.22
Financial liabilities				
Non-current borrowings	-	**1,148.30**	-	856.53
Short term borrowings	-	**32.52**	-	180.51
Non-current lease liabilities	-	**9.80**	-	15.38
Current lease liabilities	-	**5.58**	-	11.43
Trade payables	-	**572.63**	-	470.27
Other financial liabilities	-	**222.87**	12.50	332.22
	-	**1,991.70**	12.50	1,866.34

(All amounts are in rupees million, unless otherwise stated)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	7.24	-	7.24

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current loans	-	-	35.51	35.51
Other non-current financial assets	-	-	0.11	0.11
Investments	-	-	61.71	61.71
Trade receivables	-	-	719.72	719.72
Cash and cash equivalents	-	-	347.35	347.35
Bank balances other than cash and cash equivalents	-	-	500.11	500.11
Current loans	-	-	27.03	27.03
Other current financial assets	-	-	219.30	219.30
Total financial assets	**-**	**-**	**1,910.84**	**1,910.84**
Financial liabilities				
Non-current borrowings	-	-	1,148.30	1,148.30
Short term borrowings	-	-	32.52	32.52
Non-current lease liabilities	-	-	9.80	9.80
Current lease liabilities	-	-	5.58	5.58
Trade payables	-	-	572.63	572.63
Other financial liabilities	-	-	222.87	222.87
Total financial liabilities	**-**	**-**	**1,991.70**	**1,991.70**

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	(12.50)	-	(12.50)

(All amounts are in rupees million, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current loans	-	-	35.25	35.25
Other non-current financial assets	-	-	0.26	0.26
Trade receivables	-	-	750.23	750.23
Cash and cash equivalents	-	-	206.99	206.99
Bank balances other than cash and cash equivalents	-	-	95.50	95.50
Other current financial assets	-	-	179.42	179.42
Total financial assets	**-**	**-**	**1,271.22**	**1,271.22**
Financial liabilities				
Non-current borrowings	-	-	856.53	856.53
Short term borrowings	-	-	180.51	180.51
Non-current lease liabilities	-	-	15.38	15.38
Particulars	-	-	11.43	11.43
Trade payables	-	-	470.27	470.27
Other financial liabilities	-	-	332.22	332.22
Total financial liabilities	-	-	1,866.34	1,866.34

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices/ NAV published.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Particulars	Level	Fair value		Amortised cost	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Non-current borrowings (including current maturities)*	3	1,276.00	1,127.80	1,274.53	1,133.55

*The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

Valuation process

The finance department of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes for level 3 fair values. The Group relies on them for instruments measured using level 1 valuation The Group using quoted price/ NAV's published, for the derivative instruments measured using level fair values, the Group obtains the valuation from the bank from whome the derivatives are taken. This team reports directly to the Chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every year in line with the Group's reporting year.

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

(All amounts are in rupees million, unless otherwise stated)

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Non-current loans	**35.51**	**35.51**	35.25	35.25
Other non-current financial assets	**0.11**	**0.11**	0.26	0.26
Investments	**61.71**	**61.71**	-	-
Trade receivables	**719.72**	**719.72**	750.23	750.23
Cash and cash equivalents	**347.35**	**347.35**	206.99	206.99
Bank balances other than cash and cash equivalents	**500.11**	**500.11**	95.50	95.50
Current loans	**27.03**	**27.03**	3.57	3.57
Other current financial assets	**219.30**	**219.30**	179.42	179.42
	1,910.84	**1,910.84**	1,271.22	1,271.22
Financial liabilities				
Non-current borrowings	**1,148.30**	**1,148.30**	856.53	856.53
Short term borrowings	**32.52**	**32.52**	180.51	180.51
Non-current lease liabilities	**9.80**	**9.80**	15.38	15.38
Current lease liabilities	**5.58**	**5.58**	11.43	11.43
Trade payables	**572.63**	**572.63**	470.27	470.27
Other current financial liabilities	**222.87**	**222.87**	332.22	332.22
	1,991.70	**1,991.70**	1,866.34	1,866.34

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, short-term borrowings, trade payables, other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current borrowings represents approximate to fair values accordingly the same has not been discounted.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

II. Financial risk management

Risk management framework

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's internal auditor oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

i. **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.An impairment analysis is performed at each reporting date.

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard payments and delivery terms & conditions are offered. The Group's review includes external ratings, if they are available, consolidated financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

A default on a financial asset is when counterparty fails to meet payment within ninty days when they fall due.

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the consolidated Statement of Profit and Loss within other expenses.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Security deposits

The Group furnished security deposits to its lessor for obtaining the premises on lease and margin money deposits to banks. The Group considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Group expects that there is an uncertainity in the recovery of deposit, it provides for suiatable impairment on the same.

Loss allowance as per expected credit loss

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets for which loss allowance is measured using Expected Credit Losses		
Trade receivables	**804.52**	850.13
Export incentives receivables	**139.19**	100.03

(All amounts are in rupees million, unless otherwise stated)

Recociliation of loss allowance provision

Particulars	Trade Receivables	Export Receivables	Total
Loss Allowance on 1 April 2019	**42.10**	**4.02**	**46.12**
Change in Loss allowance	57.80	(4.02)	53.78
Loss Allowance on 31 March 2020	99.90	-	99.90
Change in Loss allowance	(15.10)	-	(15.10)
Loss Allowance on 31 March 2021	84.80	-	84.80

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying amount	Contractual cash flows			
	As at 31 March 2021	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	**1,148.30**	1,148.30	-	992.98	155.32
Short term borrowings	**32.52**	32.52	32.52	-	-
Non-current lease liabilities	**9.80**	9.80	-	-	9.80
Current lease liabilities	**5.58**	5.58	5.58	-	-
Trade payables	**572.63**	572.63	572.63	-	-
Other current financial liabilities	**222.87**	222.87	222.87	-	-
Total	**1,991.70**	1,991.70	833.60	992.98	165.12

(All amounts are in rupees million, unless otherwise stated)

Particulars	Carrying amount		Contractual cash flows		
	As at 31 March 2021	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	**856.53**	856.53	-	788.80	67.73
Short term borrowings	**180.51**	180.51	180.51	-	-
Non-current lease liabilities	**15.38**	15.38	-	5.58	9.80
Current lease liabilities	**11.43**	11.43	11.43	-	-
Trade payables	**470.27**	470.27	470.27	-	-
Other current financial liabilities	**344.72**	344.72	344.72	-	-
Total	**1,878.84**	1,878.84	1,006.93	794.38	77.53

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of directors.

Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Currency risks related to the cash credit loan have been hedged using forward contracts taken by the Group.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

As at 31 March 2021	USD	Euro
Financial asset		
Trade receivables	3.44	0.14
Forward contracts receivables (including above trade receivables)	6.23	-
Total	9.67	0.14
Financial liabilities		
Payable for capital assets	0.01	0.33
Total	0.01	0.33
Net exposure to foreign currency risk	9.66	(0.19)

(All amounts are in rupees million, unless otherwise stated)

As at 31 March 2020	USD	Euro
Financial asset		
Trade receivables	3.25	0.26
Forward contracts receivables (including above trade receivables)	4.20	-
Total	7.45	0.26
Financial liabilities		
Payable for capital assets	-	0.01
Total	-	0.01
Net exposure to foreign currency risk	7.45	0.25

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹against all other currencies as at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (1% movement)	**7.06**	(7.06)	5.28	(5.28)
EUR (1% movement)	**(0.16)**	0.16	(0.12)	0.12
31 March 2020				
USD (1% movement)	**5.57**	(5.57)	4.17	(4.17)
EUR (1% movement)	**0.20**	(0.20)	0.15	(0.15)

Interest rate risk

The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group cash flow to interest rate risk. Group normally maintains most of its long term borrowings at MCLR+0.30% to 0.60% in Rupees. Group has all the long term loans from HDFC Bank Limited and ICICI Bank Limited.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	Amount As at 31 March 2021	Amount As at 31 March 2020
Fixed-rate instruments		
Financial assets	**504.47**	97.25
Financial liabilities	**-**	-
	504.47	97.25
Variable-rate instruments		
Financial assets	**-**	-
Financial liabilities	**(1,309.12)**	(1,316.47)
	(1,309.12)	(1,316.47)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by ₹3.78 after tax (31 March 2020 ₹0.73). This analysis assumes that all other variables remain constant.

(All amounts are in rupees million, unless otherwise stated)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or loss (net of tax)	
	100 bp increase	100 bp decrease
31 March 2021		
Variable-rate instruments	(9.80)	9.80
Cash flow sensitivity (net)	(9.80)	9.80
31 March 2020		
Variable-rate instruments	(9.85)	9.85
Cash flow sensitivity (net)	(9.85)	9.85

50 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group capital consists of equity attributable to equity holders that includes equity share capital, reserves, retained earnings and long term borrowings.

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	**2,499.21**	2,464.58
Less: Cash and cash equivalents	**347.35**	206.99
Less: Bank balances other than cash and cash equivalents	**500.11**	95.50
Less: Fixed deposits with banks with maturity period for more than 12 months	**0.11**	0.26
Adjusted total liabilities (a)	**1,651.64**	2,161.83
Total equity (b)	**4,312.42**	3,194.22
Capital gearing ratio (a/b)	**38.30%**	67.68%

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings (including interest accrued but not due on borrowings)	**1,307.05**	1,314.06
Less: Cash and cash equivalents	**347.35**	206.99
Less: Bank balances other than cash and cash equivalents	**500.11**	95.50
Less: Fixed deposits with banks with maturity period for more than 12 months	**0.11**	0.26
Adjusted net debt	**459.48**	1,011.31
Total equity	**4,312.42**	3,194.22
Adjusted net debt to equity ratio	**0.11**	0.32

As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations.

Notes to Consolidated Financial Statement for the year ended 31 March 2021

(All amounts are in rupees million, unless otherwise stated)

51 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III

As at 31 March 2021

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Mrs. Bectors Food Specialities Limited	91.57%	3,948.89	93.83%	678.20	164.86%	(0.61)	93.80%	677.59
Subsidiaries								
Bakebest Foods Private Limited	7.51%	323.83	6.04%	43.62	-64.86%	0.24	6.07%	43.86
Mrs Bectors English Oven Limited	0.01%	0.49	0.00%	-	0.00%	-	0.00%	-
Associate (Investment as per the equity method)								
Cremica Agro Foods Limited	0.91%	39.21	0.13%	0.93	0.00%	-	0.13%	0.93
Elimination	0.00%	0.00	0.00%	0.01	-	-	0.00%	0.01
Total	**100%**	**4,312.42**	**100%**	**722.76**	**100%**	**(0.37)**	**100%**	**722.39**

As at 31 March 2020

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Mrs. Bectors Food Specialities Limited	90.01%	2,875.18	93.07%	282.10	92.85%	(5.97)	93.07%	276.13
Subsidiaries								
Bakebest Foods Private Limited	8.77%	280.27	21.86%	66.25	7.15%	(0.46)	22.18%	65.79
Mrs Bectors English Oven Limited	0.02%	0.49	0.00%	-	0.00%	-	0.00%	-
Associate (Investment as per the equity method)								
Cremica Agro Foods Limited	1.20%	38.28	0.12%	0.37	0.00%	-	0.12%	0.37
Elimination	0.00%	0.00	-15.05%	(45.61)	-	-	-15.37%	(45.61)
Total	**100%**	**3,194.22**	**100%**	**303.11**	**100%**	**(6.43)**	**100%**	**296.68**

52 The disclosures regarding details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021 and 31 March 2020.

53 Pursuant to a family settlement, Mr Anoop Bector (Promoter and Managing Director) and his family (Anoop Bector family) disassociated from his brothers Mr. Ajay Bector and his family (Ajay Bector family) and Mr Akshay Bector and his family (Akshay Bector family). The family settlement was effected by way of among others (i) the Brand separation MoU, in relation to the separation of brands and businesses and (ii) a composite scheme of amalgamation and arrangement approved by the High Court of Punjab and Haryana at Chandigarh pursuant to an order dated 4 July 2014 in relation to the re-organisation of the respective businesses.

(All amounts are in rupees million, unless otherwise stated)

In connection with the filing in earlier year, of the Draft Red Herring Prospectus, Mr. Ajay Bector, by way of his letters dated 3 September 2018 and 15 November 2018 ("Letters"), addressed to SEBI and the Book Running Lead Managers (BRLMs), made certain allegations against the Company and the Promoter. With respect to the Company, Mr. Ajay Bector has, inter alia, alleged in 2018-19 non-disclosure of certain family settlement related agreements in the Draft Red Herring Prospectus and also alleged certain irregularities in relation to the financial information of the Company disclosed in the Draft Red Herring Prospectus. With respect to the Promoter, Mr. Ajay Bector has, inter alia, made allegations of misconduct and non-compliance with the terms of the family settlement by the Promoter. The Company and the Promoter have responded to the letters vide separate letters dated 24 September 2018 and 6 December 2018 denying all the allegations. The Company has not received any further letter or communication from Mr. Ajay Bector or other disassociated member till date in relation to the aforesaid matter and further no new complaint has been filed by Mr. Ajay Bector or other disassociated member till date.

Further, in the light of disassociation, Akshay Bector family and Ajay Bector family and any entity in which they may have interest were not considered "promoter group" within the definition provided under the SEBI ICDR Regulations, in the Draft Red Herring Prospectus filed by the Company on 10 August 2018. The Company had made an application to SEBI seeking exemption from including the dissociated immediate relatives of Mr Anoop Bector (Promoter) and any entity in which they may have interest from the promoter group of the Company. Pursuant to the exemption application to SEBI, the Company had also written to Mr. Akshay Bector and Mr. Ajay Bector requesting them to express their intention to be named as members of the promoter group of the Company. Mr. Akshay Bector responded to the Company confirming that due to the disassociation, he should not be classified as a member of the promoter group of the Company. However, Mr Ajay Bector did not respond to the Company's letter or any of the follow-up letters sent by the Company. SEBI acceded to the request for not including Mr. Akshay Bector and his family members as members of the promoter group of the Company. However, no exemption was granted to exclude Mr. Ajay Bector from being named as a member of the promoter group of the Company in the Draft Red Herring Prospectus to be filled with SEBI.

In recent developments, the Company had sent a letter dated 21 August 2020 to Mr. Ajay Bector for confirming that he and his family will not be classified as a member of the promoter group of the Company in connection with the DRHP that the Company proposes to file with Securities Exchange Board of India (SEBI) for the proposed Initial Public Offering of the equity shares (IPO). The Company received a response letter dated September 18, 2020, from Mr. Ajay Bector which states that he and his family has disassociated from the Company and therefore, should not be considered or classified as members of promoter group of the Company. Accordingly, Mr. Ajay Bector and any entity in which they may have interest were not considered "promoter group" within the definition provided under the SEBI ICDR Regulations, in the Draft Red Herring Prospectus dated 19 October 2020, filed by the Company. The Company also made an application to SEBI seeking exemption from including Mr. Ajay Bector and any entity in which they may have interest in the "promoter group" which was approved by, SEBI vide its letter dated 27 October 2020.

54 CORPORATE SOCIAL RESPONSIBILITY

31 March 2021

a) Gross amount required to be spent by the Group during the year was ₹11.61.

b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students.

Particulars	In cash	Yet to be paid in cash	Total
On construction/acquistion of any asset	-	-	-
On purpose other than above	11.61	-	11.61
Total	**11.61**	**-**	**11.61**

31 March 2020

a) Gross amount required to be spent by the Group during the year was ₹11.38

b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students.

(All amounts are in rupees million, unless otherwise stated)

Particulars	In cash	Yet to be paid in cash	Total
On construction/acquistion of any asset	-	-	-
On purpose other than above	1.18	-	1.18
Total	**1.18**	**-**	**1.18**

55 IMPACT OF COVID 19 (GLOBAL PANDEMIC) ON BUSINESS

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these audited financial statements including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these audited financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered.

The Group continues to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity.

56 (A) SHARE ISSUE EXPENSES

The Holding company completed its Initial Public Offer (IPO) of 18,769,701 equity shares shares of face value of ₹10/- each for cash at an issue price of ₹288/- per equity share aggregating to ₹5,405.40 million, consisting fresh issue of 1,408,592 equity shares aggregating to ₹405.40 million and an offer for sale of 17,361,109 equity shares aggregating to ₹5,000.00 million by the selling shareholders. The equity shares of the Holding company were listed on BSE Limited and National Stock Exchange of India Limited on 24 December 2020. The Holding company incurred ₹195.34 million as an IPO related expense (excluding taxes) which are proportionately allocated between the selling shareholders and the Holding company as per respective offer size. The Holding company's share of these expenses (excluding taxes) of ₹22.71 million has been adjusted against securities premium.

(B) THE UTILISATION OF IPO PROCEEDS OUT OF FRESH ISSUE IS SUMMARIZED BELOW:

Particulars	Object of the issue as per Prospectus	Utilization upto 31 March 2021	Unutilized amount as on 31 March 2021
Financing the project cost towards Rajpura extension project	405.40	-	405.40
Total fresh proceeds	**405.40**	**-**	**405.40**

IPO proceeds which were unutilized as at 31 March 2021 were temporarily invested in deposits with banks.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 07 June 2021

For and on behalf of the Board of Directors of
Mrs. Bectors Food Specialities Limited

Anoop Bector
Managing Director
DIN:-00108589

Ishaan Bector
Director
DIN:-02906180

Atul Sud
Company Secretary
M. No:- F10412

Parveen Kumar Goel
Executive Director and CFO
DIN:- 00007297

Place: Gurugram
Date: 07 June 2021

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Regd. Office: Theing Road, Phillaur-144410
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Tel No. 01826 - 225418 | Fax No.01826 - 222915 | E-mail: cs.bis@cremica.in
Website: www.cremica.in

NOTICE OF 26TH ANNUAL GENERAL MEETING OF THE MEMBERS

NOTICE is hereby given that the 26th Annual General Meeting of the members of MRS. BECTORS FOOD SPECIALITIES LIMITED ('The Company') will be held on Thursday, 5th day of August, 2021 at 11:00 hours (IST) through video-conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following Business. The Venue of the meeting shall be deemed to be the registered office of the company at Theing Road, Phillaur-144 410.

ORDINARY BUSINESS

1. **To receive, consider and adopt:**
   (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2021, comprising Audited Balance Sheet the Statement of Profit & Loss along with Notes to Accounts and Cash Flow Statement appended thereto and Reports of the Board of directors and Statutory Auditors thereon and

   (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2021, comprising Consolidated Audited Balance Sheet, the Consolidated Statement of Profit & Loss along with Notes to Accounts and Cash Flow Statement appended thereto and reports of the Statutory Auditors thereon.

2. To declare final dividend ₹2.40 per equity share of Face value of ₹10 each for the Financial Year ended March 31, 2021.

3. To Appoint Director in place of Mr. Anoop Bector, Director (DIN NO. 00108589) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. APPROVAL FOR AMENDMENT IN ARTICLE OF ASSOCIATIONS OF THE COMPANY FOR INSERTING CLAUSE ON "CHAIRPERSON EMERITUS".

   To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company (including any statutory modification or re-enactment thereof for the time being in force) and other approval(s) from the concerned Statutory Authority(ies), the consent of the members of the company is hereby accorded to alter the article of association, by inserting the Article 4A i.e. "Chairperson Emeritus" after the present Article 4 of the Articles of Association of the Company which shall read as follows:

4A. Chairperson Emeritus

(i) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates, as the Chairperson Emeritus of the Company.

(ii) The Chairperson Emeritus shall hold office until he/she resigns.

(iii) The Chairperson Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote or shall not be deemed to be a party to any decision of the Board or Committee thereof.

(iv) The Chairperson Emeritus shall not be deemed to be a Director for any purposes of the Companies Act, 2013 or any other statute or Rules made thereunder or these Articles including for the purpose of determining the maximum number of directors which the Company can appoint.

(v) Subject to the applicable statutory provisions, the Board may decide to make any payment in any manner for any services rendered by the Chairperson Emeritus to the Company.

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

5. TO CONSIDER AND APPROVE CONTINUATION OF MR. SUBHASH AGARWAL AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY FOR A PERIOD OF ONE YEAR.

To consider, and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of Shareholders, be and is hereby accorded to continue the term of Mr. Subhash Agarwal, Chairman and Independent Director (DIN: 02782473) to hold the office for another one year as Non- Executive Director of the Company, beyond the age of 75 years."

"RESOLVED FURTHER THAT Mr. Subhash Agarwal (DIN: 02782473) shall be entitled to receive sitting fees for attending meetings of the Board of Directors as well as receive consultation fees for giving Consultancy to the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, things and deeds as may be necessary to give effect to this resolution."

6. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. SUVIR BECTOR (DIN 08713694) AS WHOLE TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF FIVE YEARS.

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 178, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule V to the Act and relevant Rules made thereunder and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the approval of Shareholders, be and is hereby accorded to appoint Mr. Suvir Bector (DIN 08713694) as Whole-time Director of the company for a period of five years with effect from April 01, 2021 till March 31, 2026 at the following terms and conditions as recommended by Nomination and Remuneration Committee:

Basic Salary	₹10,00,000/- (Rupees Ten Lakh only) per month with authority to Board of Directors (which expression shall include a committee thereof) to revise the basic salary from time to time considering the performance of the Company, subject however to a ceiling of annual increment upto 20% of basic salary.
Perquisites and allowances	Perquisites and other allowances in addition to salary shall be upto 50% of the basic salary
Other Benefits	All other benefits, facilities, schemes, reimbursements, leave encashments, provident fund contribution, gratuity, health and other insurances, vehicle or any other kind of benefit as granted to senior employees of the Company as per Rules/Policies of the Company, from time to time.

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

7. CONSIDER AND APPROVE THE SALARY OF MRS. RASHMI BECTOR, VICE PRESIDENT (BUSINESS DEVELOPMENT) OF THE COMPANY.

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 177, 178, 188 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of Shareholders, be and is hereby accorded for the remuneration to be paid to Mrs. Rashmi Bector w/o Mr. Anoop Bector, Managing Director (DIN: 00108589), daughter-in-law of Mrs. Rajni Bector, Director (DIN: 00108730) and mother of Mr. Ishaan Bector, Wholetime Director (DIN: 02906180) holding and constituting to hold an office or place of profit as Vice President (Business Development) at a basic remuneration of ₹7,25,000/- (Rupees Seven Lakh Twenty Five Thousand) per month with such increase as may be decided by the Board (which includes a committee thereof) from time to time, with effect from 1st April 2021 along with other perquisites with authority to the Board of Directors to promote her in due course to the next high grade or grade(s) and/or give an increment as may be decided by the Board of Directors along with other perquisites, as given below:

Basic Salary	₹7,25,000/- (Rupees Seven Lakh Twenty Five Thousand) per month with authority to Board of Directors (which expression shall include a committee thereof) to revise the basic salary from time to time considering the performance of the Company, subject however to a ceiling of annual increment upto 20% of basic salary.
Perquisites and allowances	Perquisites and other allowances in addition to salary shall be upto 50% of the basic salary.
Other Benefits	All other benefits, facilities, schemes, reimbursements, leave encashments, provident fund contribution, gratuity, health and other insurances, vehicle or any other kind of benefit as granted to senior employees of the Company as per Rules/Policies of the Company, from time to time.

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution.

8. TO CONSIDER AND APPROVE THE SALARY OF MRS. NEHA BECTOR, ASSISTANT GENERAL MANAGER OF THE COMPANY.

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 177, 178, 188 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of Shareholders, be and is hereby accorded, for the remuneration to be paid to Mrs. Neha Bector, relative (wife) of Mr. Ishaan Bector, Wholetime Director (DIN: 02906180), relative (son's wife) of Mr. Anoop Bector, Managing Director (DIN: 00108589) holding and constituting to hold an office or place of profit as Assistant General Manager at a basic remuneration of ₹4,50,000/- (Rupees Four Lakh Fifty Thousand) per month with such increase as may be decided by the Board (which includes a committee thereof) from time to time, with effect from 1st April 2021 along with other perquisites with authority to the Board of Directors to promote her in due course to the next high grade or grade(s) and/or give an increment as may be decided by the Board of Directors along with other perquisites, as given below:

Basic Salary	₹4,50,000/- (Rupees Four Lakhs Fifty Thousand only) per month with authority to Board of Directors (which expression shall include a committee thereof) to revise the basic salary from time to time considering the performance of the Company, subject however to a ceiling of annual increment upto 20% of basic salary.
Perquisites and allowances	Perquisites and other allowances in addition to salary shall be upto 50% of the basic salary.
Other Benefits	All other benefits, facilities, schemes, reimbursements, leave encashments, provident fund contribution, gratuity, health and other insurances, vehicle or any other kind of benefit as granted to senior employees of the Company as per Rules/Policies of the Company, from time to time.

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution.

9. TO CONSIDER AND APPROVE SALARY OF MRS. RAJNI BECTOR, FOR THE FINANCIAL YEAR 2021-22, FROM ITS WHOLLY OWNED SUBSIDIARY "BAKEBEST FOODS PRIVATE LIMITED"

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 177, 178, 188 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of Shareholders, be and is hereby accorded, for the remuneration to be paid to Mrs. Rajni Bector, relative (mother) of Mr. Anoop Bector, Managing Director (DIN No. 00108589) at a basic remuneration of ₹3,00,000/- (Rupees Three Lakh Only) per month with such increase as may be decided by the Board (which includes a committee thereof) from time to time, with effect from 1st April 2021 along with other perquisites with authority to the Board of Directors Board (which includes a committee thereof) to promote her in due course to the next high grade or grade(s) and/or give an increment as may be decided by the Board of Directors along with other perquisites, from time to time from its wholly owned

Subsidiary, “Bakebest Foods Private Limited” as given below:

Basic Salary	₹3,00,000/- (Rupees Three Lakh Only) per month with authority to Board of Directors (which expression shall include a committee thereof) to revise the basic salary from time to time considering the performance of the Company, subject however to a ceiling of annual increment upto 20% of basic salary.
Perquisites and allowances	Perquisites and other allowances in addition to salary shall be upto 50% of the basic salary.
Other Benefits	All other benefits, facilities, schemes, reimbursements, leave encashments, provident fund contribution, gratuity, health and other insurances, vehicle or any other kind of benefit as granted to senior employees of the Company as per Rules/Policies of the Company, from time to time.

“RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution.

10. TO CONSIDER AND RATIFY THE MBFSL-EMPLOYEE STOCK OPTION PLAN-2017.

To consider, and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to the Regulation 12 and other applicable provision(s) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) the Securities and Exchange Board of India (LODR) Regulations 2015, Section 62 and applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as per the provisions of Memorandum of Association and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions, the “MBFSL Employee Stock Option PLAN 2017” (“ESOS 2017”/“Scheme”), formulated and approved prior to the Initial Public Offering (“IPO”) of the Company, which was approved and adopted by the members of the Company at the Extra Ordinary General Meeting of the Company held on June 30, 2017 to create, offer, and grant up to 5,72,676 employee stock options to the eligible employees of the Company, in one or more tranches, of the face value of ₹10/- each fully paid-up on payment of the requisite exercise price to the Company, approval of shareholders, be and are hereby accorded to amend and ratify the said Scheme within the meaning of Regulation 12 of SEBI SBEB Regulations to create, offer, issue, grant and allot at any time to or for the benefit of employee(s) / Directors whether working in India or out of India in terms of the ESOP 2017, shares on exercise of options, issue fresh options, re-issue of options that may have lapsed/ cancelled/surrendered, already approved under the ESOP 2017.”

“RESOLVED FURTHER THAT the Board/ Nomination and Remuneration Committee of the Company is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP 2017 and shall rank pari passu in all respects with the existing equity shares of the Company.”

“RESOLVED FURTHER THAT the Board/Nomination and Remuneration be and is hereby authorized to take necessary steps for listing of equity shares to be allotted under ESOP 2017 on Stock Exchange(s) as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI SBEB Regulations and other applicable laws and regulations.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, merger/ amalgamation or sale of division/undertaking or other re-organization etc. of the number of above mentioned options in the Scheme shall be appropriately adjusted.”

“RESOLVED FURTHER THAT the Board of Directors/ Nomination and Remuneration Committee be and are hereby authorized to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid resolution and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard.”

11. TO CONSIDER AND APPROVE RATIFICATION TO EXTEND BENEFITS OF MBFSL- EMPLOYEE STOCK OPTION PLAN 2017 TO THE EMPLOYEES/DIRECTORS OF THE HOLDING COMPANY AND SUBSIDIARY COMPANY(IES).

To consider, and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:-

"RESOLVED THAT pursuant to the Regulation 12 and other applicable provision(s) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 62 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as per the provisions of Memorandum of Association and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and approval of shareholders, "MBFSL- Employee Stock Option Plan" ("ESOP 2017"/ "Scheme") of the Company be and is hereby accorded to ratified to extend the benefits of ESOP 2017 to the eligible employees or/and Directors of the Subsidiary company(ies) (existing and in future), in or outside India, of the Company, determined in terms of the Scheme, from time to time, on such terms and conditions as may be decided by the Board and in accordance with the SEBI Regulations or other provisions of the law as may be prevailing at the relevant time, within the overall ceiling of 5,72,676 stock options exercisable into not more than 5,72,676 equity shares of face value of 10/- (Rupees Ten) each fully paid-up."

"RESOLVED FURTHER THAT the Board/ Nomination and Remuneration Committee of the Company be and is hereby authorised to administrate includes to issue and allot equity shares upon exercise of options from time to time in accordance with the ESOP 2017 and shall rank pari passu in all respects with the existing equity shares of the Company."

By order of the Board
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(ATUL SUD)
COMPANY SECRETARY
M. No. F10412

Date: 07.06.2021
Place: Phillaur

NOTES:

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), setting out the material facts for each item of special business mentioned in items 4 to 11 of the Notice is annexed hereto. The relevant details, pursuant to applicable regulation of the SEBI LODR and Secretarial Standard -2 on General Meetings issued by the Institute of Companies Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 30th day of July, 2021 to Thursday, the 5th day of August, 2021 (both days inclusive) for the purpose of Dividend and AGM.

4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. The Company's Registrar and Transfer Agents for its Share Registry work (physical and electronic) are M/S Link Intime India Pvt Ltd., Noble Heights, 1ST Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Email: delhi@linkintime.co.in, Phone: 011-41410592-94, Fax: 011- 41410591.

6. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with M/s. Link Intime India Private Limited for providing the members the facility for participation in the 26th AGM

through VC/OAVM facility, for voting through remote e-Voting, and for e-Voting during the 26th AGM.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OACM only.

9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2020-21 has been uploaded on the website of the Company at www.cremica.in. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12th May, 2020. The Notice is also available on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of Link Intime India Private Limited. For members who have not registered their email IDs so far, are requested to register their email IDs for receiving all communications, including Annual Report, Notices from the Company electronically.

10. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to The Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

11. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agents.

12. All the documents referred to in the Notice and Explanatory Statement along with other relevant documents will be made available for inspection by the Members on the website of the Company during the meeting.

13. There are no amounts requiring transfer to Investor Education and Protection Fund during the year 2020-2021.

14. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of interest.

15. The shareholders holding shares in physical form are requested to register their e-mail address with the Registrar & Share Transfer Agents by sending duly signed request letter quoting their folio no., name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).

16. The Securities and Exchange Board of India (SEBI) vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/ 2018/73 dated 20th April 2018 has mandated compulsory submission of Permanent Account Number (PAN) and bank details by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN and bank details to their Depository Participant(s) and members holding shares in physical form shall submit the details to Company/RTA.

17. Registration of email ID and Bank Account details:

    In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

    In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

    (i) Kindly log in to the website of our RTA, Link Intime India Private Limited, www.linkintime.co.in under Investor Services >Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR

    (ii) In the case of Shares held in Demat mode:

    The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency.

19. The remote e-Voting period commences on Monday, the 2nd day of August, 2021 (9.00 a.m. IST) and ends on Wednesday, the 4th day of August, 2021 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Thursday, the 29th day of July, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company.

20. The Company has appointed JPM & Associates LLP, Practicing Company Secretaries, Ludhiana as the Scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.

21. In case of joint holders, the Members whose name appear first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on Monday, the 2nd day of August, 2021 (9.00 a.m. IST) and ends on Wednesday, the 4th day of August, 2021 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, the 29th day of July, 2021 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

(v) Pursuant to abovesaid SEBI Circular, Login method for remote e-Voting for Individual shareholders holding securities in Demat mode and Login method for remote e-Voting for Individual shareholders holding securities in Physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	● If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. ● After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ● If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp ● Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	● Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. ● After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. ● If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration ● Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	● You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. ● Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. ● Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click "confirm" (Your password is now generated). 2. Click on 'Login' under 'SHARE HOLDER' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

INSTITUTIONAL SHAREHOLDERS:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the "Company" and 'Event Date' and register with your following details: -
  - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
    - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
    - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
  - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.: Enter your mobile number.
  - D. Email ID: Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id compliance@cremica.in.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/

Dividend Related:

Subject to approval of the Members at the AGM, the dividend will be paid within a week from the conclusion of the AGM to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., Thursday, the 29th day of July, 2021, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the Members who have not updated their bank account details.

Pursuant to the requirements of Income Tax, 1961, the Company will be required to withhold taxes at prescribed rates on the dividend paid to the Shareholders. The withholding tax rate would vary depending on the residential status of the shareholder.

Inspection of Documents:

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and documents referred in the notice of meeting will be available for inspection by the Members in electronic mode during the AGM. Members who wish to seek inspect, may send their request through an email at compliance@cremica.in up to the date of AGM.

Declaration Of Results:

(i) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.

(ii) Based on the scrutinizer's report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.

(iii) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at www.cremica.in and on the website of Link Intime India Private Limited, immediately after the declaration of the result by the Chairperson or a person authorised by him in writing and communicated to the Stock Exchanges.

(iv) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. 5th day of August, 2021.

Other Instructions:

(i) As per the provisions of Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, the service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail address with Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd and Depository Participant in case of Demat Shares, to enable the Company to send the notices, documents including Annual Reports by e-mail.

(ii) The persons who have acquired shares and become members after the dispatch of the notice may send a request to the Company Secretary via e-mail at compliance@cremica.in for a copy of the Annual Report. The Annual Report is also available on the website of the Company.

(iii) A person, who is not a Member as on the cut-off date i.e. Thursday, July 29, 2021 should treat this Notice for information purposes only.

(iv) The Company has designated an exclusive e-mail ID i.e. compliance@cremica.in to enable the investors to register their complaints / send correspondence, if any.

(v) Members holding shares in dematerialized form may note that bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend and therefore, members are requested to update with their respective Depository Participants ("DP"), their bank account details (account number, 9 digit MICR and 11 digit IFSC), email IDs and mobile number. Members holding shares in physical form may communicate details to the Company / Registrar and Transfer Agent viz. Link In time India Private Limited ("RTA") before Thursday, July 29, 2021, by quoting the Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF MRS. BECTORS FOOD SPECIALITIES LIMITED TO BE HELD ON THURSDAY, 5TH DAY OF AUGUST, 2021 AT 11:00 HOURS (IST) THROUGH VIDEO CONFRENCING

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned under item nos. 4 to 11 of the accompanying Notice:

ITEM NO. 4

In Order to amend the Articles of Association of the company under the provisions of Section 14 and other applicable provisions of Companies Act, 2013, it is required to take approval from Shareholders of the company.

Further, it is proposed to insert new Article 4(A) in the Articles of Association after the existing Article 4, so as to include provision relating to appointment of any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as "Chairman Emeritus" on the terms mentioned therein. Your directors recommend to pass this resolution as Special Resolution

The Board recommends the resolutions set out at Item No. 4 of the accompanying Notice for your approval as special resolutions.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 4 of the Notice, except to the extent of their shareholding.

Copy of existing and amended Articles of Association of the Company will be available for inspection by members during business hours at the registered office of the Company till the date of ensuing AGM.

ITEM NO. 5

Mr. Subhash Agarwal, aged 84 years, is the Non-Executive Independent Director and chairman of the Company. In accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect. In this regard in the AGM of the Company held on 16th October, 2020, the members of the company have approved his continuation of office for a period of one year. Since his term is expiring, it is required to take approval from shareholders by special resolution for continuation of office of Mr. Subhash Agarwal. Hence the approval of the shareholders is sought for the continuation of his Directorship on the Board of the Company even after attaining the age of 75 years. His brief profile is given below:

He holds a bachelor's degree in commerce from Shri Ram College of Commerce, Delhi University and a bachelor's degree in law from Punjab University, Chandigarh. He is a practising advocate with an experience of 60 years. He has been a member of the District Taxation Bar Association, Ludhiana since 1995. He was felicitated with a Life Time Achievement Award and an Award of Appreciation by the District Taxation Bar Association (Direct Taxes), Ludhiana. He was appointed as the Chairman on our Board on July 10, 2018. He has been on our Board since February 10, 2017.

Taking into account the knowledge and expertise which Mr. Subhash Agarwal has it is proposed that Company may take Consultation from him in relation to taxation matters and other allied professional services for which he may be paid consultation fees other than the sitting fees for attending meetings of the Board of Directors.

The Nomination and Remuneration Committee and the Board of the Company is of the opinion that Mr. Subhash Agarwal has been an integral part of the Board and has provided valuable insights to the Company and his continuation as Director will be in the interest of the Company notwithstanding his completion of seventy five years of age.

The Board recommends the resolutions set out at Item No. 5 of the accompanying Notice for your approval as special resolutions.

Except Mr. Subhash Agarwal, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 5. The relatives of Mr. Subhash Agarwal may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company

ITEM NO. 6

Mr. Suvir Bector s/o Mr. Anoop Bector, Managing Director (DIN: 00108589) and brother of Mr. Ishaan Bector, Whole-Time Director (DIN: 02906180) is working with the Company as Vice President Export. He has graduated with bachelor's degree in arts with honours in management with marketing from University of Exeter and has a master's in global supply chain management from Cass Business School, City University in London. He has joined our Company on July 24, 2018.

The Board of Directors of the Company ('the Board') at the meeting held on 30th March, 2021 on the recommendation of the Nomination & Compensation Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Suvir Bector as Additional (Wholetime Director) of the Company with effect from the April 1, 2021, subject to the approval of Members by way of Special Resolution.

Mr. Suvir Bector satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible himself for appointment as Whole Time Director.

Accordingly the approval of Members by way of Special Resolution is being sought to appoint him as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2021 till March 31, 2026 as per the terms and conditions as recommended by Nomination and Remuneration Committee.

The Board recommends the resolutions set out at Item No. 6 of the accompanying Notice for your approval as special resolutions.

Except Mr. Suvir Bector, Mr. Anoop Bector and Mr. Ishaan Bector (being relatives of Mr. Suvir Bector), none of the Promoter, Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of his shareholding.

ITEM NO. 7

Mrs. Rashmi Bector is working as the Vice President (Business Development) in the company, is a relative of the promoter(s) in terms of applicable provisions Companies Act, 2013 is holding office of place of profit in the company.

In terms of Section 188 of Companies Act, 2013, no company shall enter into related party transactions with related party in respect to any office or place of profit subject to approval by the Board and Shareholders of the company.

Further, on the recommendation of Nomination and Remuneration Committee and Audit Committee the Board of Directors in its meeting held on 30th March, 2021 approved the remuneration of Mrs. Rashmi Bector of INR 7,25,000/-per month along with other perquisites from April 01, 2021, subject to approval by shareholders.

The Details of remuneration payable to Mrs. Rashmi Bector is given in resolution no. 7 and the Board recommends the resolutions set out at Item No. 7 of the accompanying Notice for your approval as ordinary resolutions.

Except, Mr. Suvir Bector, Mr. Anoop Bector, Mr. Ishaan Bector (being relatives of Mrs. Rashmi Bector), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 8

Mrs. Neha Bector is working as the Assistant General Manager in the company, is a relative of the promoter(s) in terms of applicable provisions Companies Act, 2013 is holding office of place of profit in the company.

In terms of Section 188 of Companies Act, 2013, no company shall enter into related party transactions with related party in respect to any office or place of profit subject to approval by the Board and Shareholders of the company

Further, on the recommendation of Nomination and Remuneration Committee and Audit Committee the Board of Directors in its meeting held on 30th March, 2021 approved the remuneration of Mrs. Neha Bector of INR 4,50,000/-per month along with other perquisites from April 01, 2021, subject to approval by shareholders.

The Details of remuneration payable to Mrs. Neha Bector is given in resolution no. 8 and the Board recommends the resolutions set out at Item No. 8 of the accompanying Notice for your approval as ordinary resolutions.

Except, Mr. Suvir Bector, Mr. Anoop Bector, Mr. Ishaan Bector (being relatives of Mrs. Neha Bector), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 9

In terms of Section 188 of Companies Act, 2013, no company shall enter into related party transactions with related party in respect to any office or place of profit in its subsidiary company subject to approval by the Board and Shareholders of the company.

Mrs. Rajni Bector is relative of the Promoter(s) in terms of applicable provisions of Companies Act, 2013 and being paid consultation fee(s) of INR 3,00,000/- (Rupees Three Lakh Only) per month along with other perquisites from April 01, 2021, from its Wholly Owned Subsidiary Company “Bakebest Foods Private Limited”.

The Board in its meeting held on 7th June, 2021 approved the related party transaction salary of Mrs. Rajni Bector from its Wholly Owned Subsidiary Company “Bakebest Foods Private Limited” in pursuant to Section 188 of Companies Act, 2013 subject to approval of Shareholders.

Accordingly, the approval of members of the company by way of ordinary resolution is being sought to approve the salary of Mrs. Rajni Bector from its Wholly Owned Subsidiary Company “Bakebest Foods Private Limited”.

Except, Mr. Suvir Bector, Mr. Anoop Bector, Mr. Ishaan Bector (being relatives of Mrs. Rajni Bector), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 10 & 11

Pursuant to the resolution passed by the Shareholders’ dated June 30, 2017 the Company had established the MBFSL-Employee Stock Option Plan 2017 (“ESOP 2017/ Scheme”). The aggregate number of options that can be granted under the ESOP 2017 is 5,72,676 Equity Shares after taking the effect of adjustment of corporate Action i.e. Bonus Shares in ration 1:1.

In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 no company shall make any fresh grant which involves allotment or transfer of shares to its employees under any schemes formulated prior to its Initial Public Offering (“IPO”) and prior to the listing of its equity shares (‘‘Pre-IPO Scheme’’) unless: (i) such Pre-IPO Scheme is in conformity with the SEBI SBEB Regulations; and (ii) Such Pre-IPO Scheme is ratified by its Shareholders subsequent to the IPO. Further, as per proviso to Regulation 12(1) of the SEBI SBEB Regulations, the ratification under clause (ii) may be done any time prior to grant of new options under such Pre-IPO Scheme. ESOP 2017 is compliant with the SEBI SBEB Regulations. In terms of Regulation 12(1) of the SEBI SBEB Regulations, the Company cannot make any fresh grant under ESOP 2017, unless ESOS 2017 is ratified by the Shareholders of the Company.

Details of grants, exercise and lapsing of options on a cumulative basis are as follows:

Particulars	No of Shares
Options Granted	1,87,555
Options Vested (excluding options already exercised)	22,848
Options Exercised (Before IPO)	70,300
Options Exercised (After IPO which were vested before IPO)	50,023
Options forfeited/cancelled/lapsed	44,384
Total number of options outstanding to be granted	4,29,504

Therefore, in compliance with the Regulation 12 (1) of the SEBI SBEB Regulations read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other instructions or directions issued by the Securities and Exchange Board of India in this reference, it is proposed to seek the approval of members to ratify and confirm the ESOS 2017 as per item no. 11 of the notice.

The Company may issue options / shares to the eligible employees or/and Directors of the Holding company and Subsidiary company(ies) (existing and in future), in or outside India, of the Company.

Accordingly, consent of shareholders is also sought to ratify the ESOP 2017 to extend the benefits of the Scheme to the eligible employees or/and Directors of the Holding company and Subsidiary company(ies) (existing and in future), in or outside India, of the Company as per the resolution set out at item no. 11 of the notice.

Particulars as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and disclosure under Regulation 6(2) of the SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 (as amended from time to time) are given below:

a) Brief description of the Scheme:

The objective of the ESOP-2017 Scheme is to reward the eligible employees of the company and subsidiary companies in India and abroad, as per their performance and motivate them to contribute to the growth and profitability of the company.

After vesting of Options, the employees earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Board/Committee may administrate the scheme. All questions of interpretation of the Scheme shall be determined by the Board/Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

b) Total number of options to be granted:

The Scheme envisages 286338 number of Options for being granted to eligible employees of the Company, its Holding company and its Subsidiary company (ies) under the ESOP 2017. Thereafter, the number of Equity Shares enhanced to 5,72,676 Equity Shares after taking the effect of adjustment of corporate Action, i.e Bonus Shares in ratio 1:1.

A total of 572676 options would be available for being granted to eligible employees of the Company under ESOP 2017. Each option when exercised would be converted into one equity share of ₹10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees / Directors or otherwise, would be available for being re-granted at a future date. The NRC is authorized to re-grant such lapsed / cancelled options as per the Scheme. In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the employees/ option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares as aforesaid shall be deemed to increase to the extent of such additional equity shares issued.

c) Identification of classes of employees entitled to participate in the Scheme :

To be decided by the Nomination & Remuneration Committee from time to time, in accordance with the ESOP 2017.

d) Requirements of vesting and period of vesting:

The options grants shall vest so long as on employee continues to be in the employment of the company or the Subsidiary Company, if any the case may be. The committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest.

Apart from above, the vesting of options granted under the amended Scheme shall vest not earlier than statutory minimum period of 1 (one) year and not later than the maximum period of 5 (five) years from the date of grant of options.

e) The maximum period within which the options shall be vested:

The Vesting Period shall not be more than 5 (Five) years from the date of respective vesting of options.

f) The Exercise price or pricing formula:

The exercise price for the options can be any price as decided by the committee but shall not be less than the face value of shares and it may be different for different class/classes of Employees falling in the same tranche of grant of Options issued under ESOP 2017.

g) The Exercise Period and the process of exercise:

The Exercise period shall not be more than 5 (Five) years from the date of respective vesting of options.

The vesting Options shall be exercised by the employee by a written application to the Company expressing his/her desire to exercise such options in such manner and such format as may be prescribed by the committee from time to time.

h) the appraisal process for determining the eligibility of employees for the scheme(s);

The appraisal process for determining the eligibility of employee shall be decided by the committee from time to time.

i) maximum number of options to be issued per employee and in aggregate;

Maximum number of options that may be issued per employee and in aggregate shall be subject to such number of options as reserved under this Scheme.

j) maximum quantum of benefits to be provided per employee under a scheme(s);

As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2017.

k) whether the scheme(s) is to be implemented and administered directly by the company or through a trust;

The ESOP 2017 Scheme is implemented and administrated directly by the company.

l) whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both

The ESOP 2017 Scheme involves issue of new shares by the company.

m) the amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.

The ESOP 2017 currently not implemented under Trust Route.

n) maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);

This is not relevant under ESOP 2017.

o) a statement to the effect that the company shall conform to the accounting policies specified in regulation 15:

The company shall conforms to laws/regulations applicable accounting and disclosure related to employee stock options, including but not limited to the Guidance Note on Accounting for employee share-based Payments' (Guidance Note) of Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time under Regulation 15 of SEBI (SEBE) Regulations.

p) the method which the company shall use to value its options;

As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2017.

q) Declaration

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report

The Board recommends the resolutions set out at Item No. 10 & 11 of the accompanying Notice for your approval as special resolutions.

The Directors recommend the resolution for ratification by the Shareholders. The amended copy of ESOP-2017 Scheme shall be available for inspection by members during business hours at the registered office of the Company till the date of ensuing AGM and also available at the Company's official website at www.cremica.in

None of the Promoter, Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of the stock options that are granted or may be granted to them under the said Scheme.

ANNEXURE- A

Profile of the Director seeking appointment / re-appointment at the Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of SEBI (Listing of Listing Obligations and Disclosures Requirements) Regulations, 2015 along with Paragraph 1.2.5 of Secretarial Standard on General Meetings]

Particulars	Mr. Anoop Bector	Mr. Subhash Agarwal	Mr. Suvir Bector
DIN	00108589	02782473	08713694
Age	58	84	26
Brief Resume and Qualification	**Mr. Anoop Bector** is the Managing Director of our Company. He holds a bachelor's degree in commerce from Satish Chander Dhawan Government College, Panjab University. He has completed a training programme on international supply chain management conducted by McDonalds in Singapore in 2001. He was also awarded the 'Business Knight of Punjab' by the Economic Times in 2015. He was appointed as a non-official member of the board of management of Punjab Agricultural University, Ludhiana on June 25, 2018. He has been on our Board since the incorporation of our Company and has an experience of 25 years with our Company.	**Mr. Subhash Agarwal** is the Chairman and Independent Director of our Company. He holds a bachelor's degree in commerce from Shri Ram College of Commerce, Delhi University, a bachelor's degree in law from Punjab University, Chandigarh and post graduate certificate in business administration from Scottish College of Commerce. He is a practising advocate with an experience of 60 years. He has been a member of the District Taxation Bar Association, Ludhiana since 1995. He was felicitated with a Life Time Achievement Award and an Award of Appreciation by the District Taxation Bar Association (Direct Taxes), Ludhiana. He was appointed as the Chairman on our Board on July 10, 2018. He has been on our Board since February 10, 2017.	**Mr. Suvir Bector**, has graduated with bachelor`s degree in arts with honours in management with marketing from University of Exeter and has a master's in global supply chain management from Cass Business School, City University in London. He has joined our Company on July 24, 2018.
Date of first Appointment as Director	19th September, 1995	10th February, 2017	1st April, 2021
Expertise in specific functional area	Industry experience, Specialist knowledge of supply chain, Regulatory and stakeholder liaison and Strong leadership skills	Finance, Taxation and Legal	In-depth knowledge of international business, New-age leadership, Specialist knowledge in marketing and supply chain, Customer liaison
Directorships held in other body corporate as on 31st March 2021	Bakebest Foods Private Limited Mrs. Bector's English Oven Limited Mrs. Bector's Cremica Dairies Private Limited	Bakebest Foods Private Limited	Nil

Particulars	Mr. Anoop Bector	Mr. Subhash Agarwal	Mr. Suvir Bector
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March 2021	Nil	Bakebest Foods Private Limited Audit Committee: Member	Nil
Number of equity shares held in the Company as on date	12550800 (In the name of Anoop Bector), 2005970 (In the name of Anoop Bector HUF) and 5955462 (In name)	Nil	100 (In name of Suvir Bector) and 4763111 (In name of SB Family Trust)
Relationship with other Directors and Key Managerial Personnel	Mrs. Rajni Bector (Mother)- – Chairperson Emeritus; Mr. Ishaan Bector (Son)- Wholetime Director Mrs. Neha Bector (Son's Wife) – KMP Mr. Suvir Bector (Son)- Additional Director	None	Mrs. Rajni Bector (Grand Mother) – Chairperson Emeritus; Mr. Anoop Bector (Father) – Managing Director; Mrs. Rashmi Bector (Mother) – KMP Mr. Ishaan Bector (Brother) – Wholetime Director Mrs. Neha Bector (Brother's Wife) - KMP
Remuneration Last Drawn from the Company (This does not include Director sitting fees)	₹31.80 million only (For the year 2020-21)	Nil	₹ 9.00 million only (For the year 2020-21)
Remuneration proposed to be paid	Resolution for salary already passed at AGM dated 16.10.2020.	Director Sitting Fees and commission	Basic Salary of ₹1 million per month, plus perks upto 50% and other benefits as per resolution.
No of meetings of the Board attended during the year	Held: 15 Attended: 15	Held: 15 Attended: 14	N.A.

By order of the Board
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**ATUL SUD**)
COMPANY SECRETARY
M. No. F10412

Date: 07.06.2021
Place: Phillaur

tas
WORKS
www.tas-com.com

MRS. BECTORS FOOD SPECIALITIES LIMITED

(CIN: L74899PB1995PLC033417)

Regd. Office: Theing Road, Phillaur-144 410

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