

**ANJANI FOODS LIMITED**

"Anjani Vishnu Centre"  
Plot No.7 & 8, Nagarjuna Hills,  
Punjagutta, Hyderabad 500 082  
Telangana

tel 040 4033 4848  
fax 040 4033 4818

**REGD. OFFICE**

Vishnupur, B.V. Raju Marg,  
Bhimavaram  
W.G. District 534 202  
Andhra Pradesh

CIN  
L65910AP1983PLC004005

05.09.2020

To,

The Manager-Listing,  
Department of Corporate Affairs,  
The Bombay Stock Exchange Limited,  
Floor-25, P.J.Towers,  
Dalal Street, Mumbai-400 001

Scrip Code: 511153

Dear Sir,

Sub: Submission of Annual Report of the Company for the year ended March 31, 2020 including Notice convening 36<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015

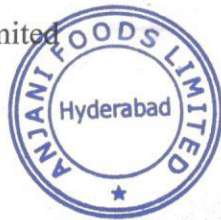
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2019-20 including Notice convening 36<sup>th</sup> Annual General Meeting (AGM) scheduled to be held on Monday, September 28, 2020 at 10.30 AM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Request you to kindly take the same on record.

Yours faithfully,

For Anjani Foods Limited

  
R.K.Pooja



Company Secretary & Compliance Officer



36TH

ANNUAL

GENERAL

MEETING

- Date: 28th September 2020
- Time: 10.30 AM
- Mode: Video Conferencing (VC)

## CORPORATE INFORMATION

### Board of Directors

Shri K.V.Vishnu Raju	Chairman
Shri R.Ravichandran	Whole time Director
Shri K.Hari Babu	Director
Smt.K.Anuradha	Director
Shri K.Aditya Vissam	Director
Shri P.Ranganath	Director
Shri P.S.Raju	Director
Shri S.V.S.Shetty	Director

\*Shri B.Rajasekhar  
(upto:30.07.2020)

Ms. R.K. Pooja                      Company Secretary

CIN

L65910AP1983PLC004005

Registered Office

Vishnupur, Garagaparru Road,  
Bhimavaram – 534 202  
West Godavari District,  
Andhra Pradesh

Corporate Office

'Anjani Vishnu Centre'  
Plot No 7 & 8, Nagarjuna Hills,  
Panjagutta,  
Hyderabad-500 082

Statutory Auditors

M. Anandam & Co. Chartered Accountants  
7 A, Surya Towers, Sardar Patel Road  
Secunderabad – 500 482.

Secretarial Auditors

D. Hanumanta Raju & Co. Company Secretaries,  
B-13, F-1, P.S.Nagar,  
Vijayanagar Colony, Hyderabad - 500 057

Bankers

Indian Bank

Share Registrars and Transfer Agents

M/s. KFin Technologies Private Limited  
Karvy Selenium Tower No.B,  
Plot No.31- 32, Gachibowli, Financial District  
Nanakramguda, Hyderabad: 500 032



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## NOTICE

NOTICE IS HEREBY BE GIVEN THAT THE 36TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF ANJANI FOODS LIMITED WILL BE HELD ON MONDAY, THE 28TH SEPTEMBER, 2020 AT 10.30 A.M IST THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO-VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING ITEMS OF BUSINESS. THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY AT VISHNUPUR, DURGAPUR, GARAGAPARRU ROAD, BHIMAVARAM, ANDHRA PRADESH - 534 202.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020, the Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the Schedules and Notes attached thereto, along with the Reports of Auditors and Board of Directors thereon.
1. To appoint a Director in place of Mr. K.V.Vishnu Raju who retires by rotation in terms of section 152(6) and being eligible, offers himself for reappointment as Director.

### SPECIAL BUSINESS:

3. To approve appointment of Mr. K.Aditya Vissam ( DIN: 06791393) as Managing Director and in this regard pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re- enactment thereof for the time being in force), Articles of Association of the Company and subject to such approvals, as may be required and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, approval of the members be and is hereby accorded for the appointment of Mr. K.Aditya Vissam (DIN: 06791393) as Managing Director, of the Company for a period of 5 years with effect from August 01, 2020 (the date of appointment) till July 31, 2025, on terms and conditions as set out below, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of appointment, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr K.Aditya Vissam:

Terms and conditions including remuneration as enumerated herein below:

- a) Period of appointment: August 01, 2020 to July 31, 2025
- b) Basic Salary: Rs.2.50 lakhs per month
- c) Flexible Compensation Plan as per Company’s Policy: NIL
- d) Variable Pay per annum in the form of profit sharing: NIL

- e) Cost of Vehicle usage for business purpose (i.e. Car, Maintenance, Fuel, Driver and insurance etc.): As per the usage
- f) He shall also be entitled to the following perquisites:
  - i) Employer's Contribution to Provident Fund.
  - ii) Gratuity in accordance with Company's Policy.
  - iii) Mediclaim Insurance coverage for self and family as per Company's policy.
  - iv) Mobile phone, telephone facility, I- pad, laptop etc. as per Company's Policy.
  - v) Any other allowances/perquisites as per the policy of the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on Behalf of the Board of  
Anjani Foods Limited

Place: Hyderabad  
Date: 31.08.2020

K.V.Vishnu Raju  
Chairman

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. 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 MCA Circulars, 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during the AGM will be provided by NSDL.
4. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / regularisation at this AGM is annexed.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2020 to September 30, 2020 (both days inclusive) for the purpose of giving effect to the transmission and transposition requests lodged with the Company.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. 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 dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited ("KFin") for assistance in this regard.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number

- (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to KFin Technologies Private Limited in case the shares are held by them in physical form.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  10. To promote green initiative, Members who have not registered their email addresses are requested to register the same with their depository participants in case the shares are held by them in electronic form and with Kfin, in case the shares are held in physical form.
  11. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <https://www.anjanifoods.in/>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KFin in case the shares are held in physical form.
  12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFin, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
  13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  14. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 26, 2020 through email on [pooja.rk@freshchoice.in](mailto:pooja.rk@freshchoice.in)
  15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.anjanifoods.in](http://www.anjanifoods.in), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSDL at <https://www.evoting.nsdl.com/>. Members whose email IDs are not registered with the Company/Depositories are requested to follow the process provided further for registration of email IDs with the depositories for procuring user ID & password and registration of email IDs for e-voting for the resolutions set out in this notice.
  16. The Statutory Registers and the documents pertaining to the items of business to be transacted at the AGM are available for inspection in electronic mode. The shareholders may write an e-mail to [pooja.rk@freshchoice.in](mailto:pooja.rk@freshchoice.in) and the Company shall respond suitably.
  17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
  18. Instructions for e-voting and joining the AGM are as follows:

## INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING:

The remote e-voting period begins on September 25, 2020 (9:00 a.m. IST) and ends on September 27, 2020 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 21, 2020 (Cut-off date), may cast their vote electronically.

Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### STEP 1:

How to Login to NSDL e-voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical	EVEN Number followed by Folio Number registered with the company.

Form.	For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your initial password?
    - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## STEP 2:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dhr300@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 pooja.rk@freshchoice.in

2. In case shares are held in demat mode, please provide DPIDCLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to pooja.rk@freshchoice.in. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned above.



The instructions for members for e-voting on the day of the AGM are as under: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e- Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

The instructions for members for attending the AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [pooja.rk@freshchoice.in](mailto:pooja.rk@freshchoice.in) from September 25, 2020 (9:00 a.m. IST) to September 27, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their names, demat account number/folio number, email id, mobile number at [pooja.rk@freshchoice.in](mailto:pooja.rk@freshchoice.in). The same will be replied by the company suitably.
9. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 21, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
10. The Company has appointed, Ms. Shaik Razia or failing her Mr. Mohit Kumar Goyal, Partners, D. Hanumanta Raju & Co., Practising Company Secretaries, Hyderabad, as the Scrutinizers to the e-voting process and voting at the AGM in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
11. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the AGM, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than 48 Hours from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
12. The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website: [www.anjanifoods.in](http://www.anjanifoods.in) and shall also be communicated to the stock exchange. The resolution shall be deemed to be passed at the AGM of the Company scheduled to be held on September 28, 2020.
13. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 28, 2020.

**EXPLANATORY STATEMENT**  
(Pursuant to Section 102 of the Companies Act, 2013)

**Item No.3: Appointment/Regularization of Mr. K.Aditya Vissam as the Managing Director of the Company**

The Board of Directors at its meeting held on 30th July, 2020 has approved the appointment of Mr. K.Aditya Vissam, as the Managing Director subject to approval of the members of the company for the period of 5 years effective from 01st August, 2020 to 31st July, 2025 at a remuneration of Rs. 30,00,000 per annum including basic, perquisites, commissions and other benefits as recommended by the Nomination & Remuneration Committee.

In accordance with Schedule V and other applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and on the recommendation made by the Nomination & Remuneration Committee of the Company at its meeting held on July 29, 2020, the Board of Directors of the Company at its meeting held on July 30, 2020, have approved the payment of remuneration to Mr K.Aditya Vissam, comprising of salary and benefits as per Schedule V of the Companies Act, 2013, for a period of Three years, with effect from August 1, 2020,

Mr. K.Aditya Vissam holds 1,36,255 equity shares in the Company.

Mr. K.Aditya Vissam is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act and has given his consent to act as Director.

Further, currently, the Company has not defaulted in payment of dues to any of its banks, public financial institutions, non convertible debenture holders or any other secured creditors, therefore, their prior approval is not required.

Except Mr. K.V.Vishnu Raju, Ms. K.Anuradha Raju and their relatives to the extent of their shareholding in the Company, if any, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise in the Resolution set out at Item Number 3.

**GENERAL INFORMATION**

1. Nature of Industry: Bakery Products Manufacturing Industry
2. Date or expected date of commencement of commercial production: NA(The Company is an existing Company and was incorporated on 25.06.1983)
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial Performance based on given indicators: The company generated a revenue of Rs. 28 crores and a profit of Rs. 48 lakhs in the FY 2019-20.
5. Foreign investments or collaborations if any: NA

II. DISCLOSURES REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENT) (AMENDMENT) REGULATIONS, 2018 AND SS-2 (SECRETARIAL STANDARD ON GENERAL MEETINGS) UNDER SECTION 118(10) OF THE COMPANIES ACT, 2013 IN RESPECT OF APPOINTMENT/ RE-APPOINTMENTS OF DIRECTORS

Particulars	K.V.Vishnu Raju (DIN:00480361) (Re-appointment pursuant to retirement by rotation)	K.Aditya Vissam (DIN: 06791393) (Appointment/Regularization as Managing Director)
Date of Birth	31.01.1964	19.02.1991
Age	(56 years)	(29 years)
Brief Resume	Chemical Engineering from NIT, Trichy and Masters from Michigan Technological University, USA. Worked at Dupont, Delaware; Managing Director at Raasi Cements, Chairman and Managing Director at Anjani Portland cements. Presently Chairman of Anjani Vishnu Holdings.	B.S. in Industrial Engineering from The Pennsylvania State University, USA and MBA from Imperial College, London. Previously worked at Office Depot (USA), a Fortune 500 company and subsequently at Amazon (UK).
Nature of Expertise in specific Functional area	Business Strategy, Mergers & Acquisition, Market segmentation, and Industry expertise.	Operations/Process, Warehousing & Logistics, Network Development, Team building, Product development, Retail, Trade & Supply Channel development, Brand building, and operating enterprise at scale.
Designation	Non-Executive Promoter Director-Chairperson	Managing Director
Experience	25 years	5 years
Date of First Appointment/ Re-Appointment	26.06.1992	20.09.2014
Qualifications	B.Tech, M.S.	B.Tech, MBA
No. of shares held in the company	22,77,900	1,36,255
Remuneration Proposed	NIL	Rs. 30.00 lacs P.A
Comparative Remuneration profile with respect to industry, size of the company, profile of the position and person (in case expatriates the relevant details would be with respect to the country of his origin.)	NIL	Taking into consideration the size of the Company, the profile of Mr. K.Aditya Vissam, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

Pecuniary Relationship directly and indirectly with the company, or relationship with managerial personnel, if any	Promoter shareholder holding 40.75% in the shares of the company. Father of Mr. K.Aditya Vissam	Promoter shareholder holding 2.44% in the shares of the company. Son of Mr. K.V.Vishnu Raju
Job Profile and Suitability	Mr. K.V.Vishnu Raju is the founder promoter. He has been leading the key strategic initiatives for the business. His vast experience in building successful companies in cement, ceramic, printing, and education gives strength to creating a regional food brand at scale.	Mr. K.Aditya Vissam has been in the company since 2014. He has been responsible for the focus on building capabilities and retail strategies for the business. His prior experience in supply chain and fulfillment centers will help AFL build a strong distribution network across trade channels.
Past Remuneration	NIL	NIL
Relationship with directors inter-se	Husband of Ms. K.Anuradha Raju and father of Mr.K.Aditya Vissam	Son of Mr. K.V.Vishnu Raju and Mrs. K.Anuradha Raju
Directorships in other listed entities	NIL	NIL
Number of meeting of Board attended during the financial year ended on March 31, 2020	5 (Five)	3 (Three)
Membership/ Chairmanship in the Committee of other board	Stakeholders Relationship Committee-Chairman	Audit Committee-Member

Shareholding of other Non-Executive Directors:

1. K.Anuradha Raju- 4,52,420 shares.

III. OTHER INFORMATION:

- i. Reason for loss or inadequate profits: Revenue growth is less compared to increase in expenditure.
- ii. Steps taken or proposed to be taken for improvement: Cost cutting and maximizing capacity utilization
- iii. Expected increase in productivity and the profits in measurable terms:  
The expected increase in productivity and profitability in the next financial year is around 20%

Shareholders' approval is being sought through a special resolution, pursuant to Section 196,197 of the Companies Act, 2013, and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") in respect of appointment and payment of remuneration to the executive directors.

For and on Behalf of the Board of  
Anjani Foods Limited

Place: Hyderabad  
Date: 31.08.2020

K.V.Vishnu Raju  
Chairman

## DIRECTORS' REPORT

To  
The Members,  
ANJANI FOODS LIMITED,

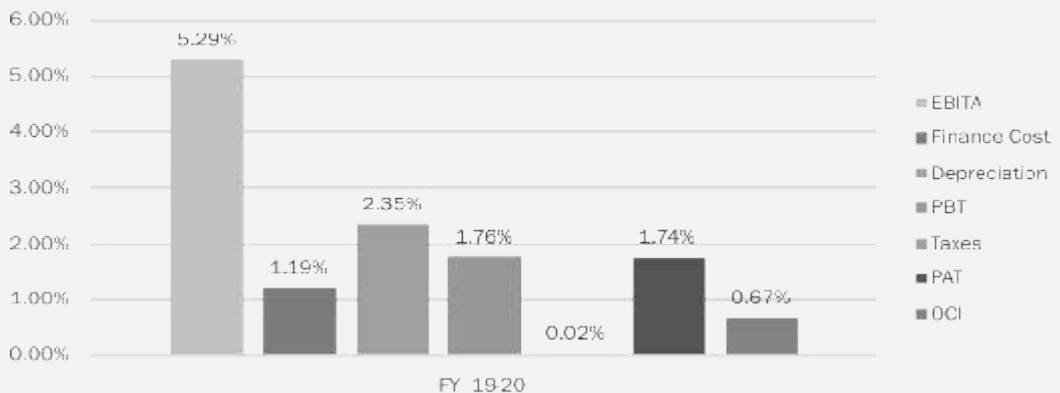
Your Directors hereby presents the 36th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2020. The summarized financial results for the year ended 31st March, 2020 are as under:

## FINANCIAL RESULTS

Amount in Lakhs

Particulars	31-03-2020	31-03-2019
Total income	2,779.71	2,387.50
Operating profit before interest, depreciation and tax	147.14	113.81
Interest and financial charges	32.98	33.75
Depreciation	65.21	66.66
Profit before taxation	48.95	13.41
Provisions for taxation	0.59	12.13
Profit / (Loss) after taxation	48.36	1.27
Transfer to General Reserves	-	-
Provision for dividend	-	-
Provision for dividend tax	-	-
Other Comprehensive Income	18.49	11.36
Balance carried to Balance Sheet	66.85	12.63

## As % of Revenue



## REVIEW OF OPERATIONS:

During the period, the total income of the Company increased to Rs. 2,779.71 lakhs as compared to Rs. 2,387.50 lakhs of the previous year. The net profit before tax for the period is Rs. 48.95 lakhs as compared to net profit of Rs. 13.41 lakhs of the previous year. The net earnings after tax and comprehensive income has increased to 66.85 lakhs as compared to a net loss of Rs. 12.63 lakhs in the previous year.

Covid-19 had a catastrophic impact on people and economy globally. We, at Anjani focussed on the following during this crisis:

- i. Safety of employees and other stakeholders and
- ii. Ensuring availability of our products, which are daily essentials in the place of its operations.

Your Directors wish to place on record their appreciation to the company's employees, suppliers, customers and government authorities for their selfless efforts which helped your company reach normalcy in the operations within few weeks of lockdown. The ownership and responsiveness shown by all the stakeholders is unparalleled and is a testimony of the spirit of this great organization.

Your Company shall review the long term impact of the pandemic and take all steps necessary to adapt itself to emerging changes and the new normal.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirm that in the preparation of Profit & Loss Account for the year end and Balance Sheet as at that date ("Financial Statements") that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and
- c) 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 at the end of the financial year and of the profit and loss of the company for that period;  
the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) 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.



## DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013

## 1. State of affairs of the company:

AFL has evolved a unique business model with a combination of retail and distribution of freshly baked products to its consumers.

“Fresh Choice” categories include Bread & Bun, Rusk, Cakes & Pastries, Desserts, Biscuits & Cookies, Dry Cakes, Savories, pizzas, pastas, sandwiches, Beverages, Confectionaries and others with over 300 variants to choose from.

The retail business has a combination of high street format and the corner shop baker in the residential zones closer to consumer homes. The high street outlet is a distinct Patisserie Café format, which offers its discerning consumers some of the best dessert pastries; sandwich, pizzas and pastas in a café style with either dine-in or take away options. Best of the cakes are also baked and garnished for special occasions, to create that personal delight!

The corner shop bakery offers convenience and freshly baked bread, buns, cookies, savories, seasonal filling pastries, cakes, celebration cakes for occasions, and a whole range of baked goodies to its customers. Some of these outlet formats also have a live kitchen to provide sandwich and pizzas along with casual dine-in options to families and friends.

During FY 19-20 AFL strengthened the product categories and variants and also introduced a new range of macarons, cheese cakes, desserts and pastries, soft dough cookies in the Patisserie café.



Distribution sale grew by 23% with new markets in Srikakulam and better servicing of products to Modern Trade in the geography. Bread sales increased by over 34% with introduction of new variants. Expanded sales in the Godavari district markets upward of 14% with introduction of new cookie variants and dry cake variants in the trade channel.

The lockdown in the last 10 days of the financial year made AFL re-strategize its product portfolios and quickly made available fresh Bread every day for all its markets. We ensured safety of our employees during this time and serviced our customers through uninterrupted production of daily bread.

## 2. Amounts, if any, they proposed to carry to any reserves:

The Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

## 3. Dividend:

The Directors have not recommended any dividend for the year.

## 4. Deposits:

Your company has not accepted any public deposits as such; no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

5. Number of meetings of the Board:  
Secretarial Standards as applicable have been complied with. Six meetings of the Board were held during the year as per the details given below:

S.No.	Date of meeting	Total No.of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	28.05.2019	6	6	100
2.	13.08.2019	6	6	100
3.	29.08.2019	6	6	100
4.	13.11.2019	8	5	75
5.	26.12.2019	8	7	88
6.	11.02.2020	8	7	88

6. Board Evaluation:

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

In a separate meeting of Independent Directors, performance of Non- Independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into accounts the views of Executive Directors and Non- Executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of Board, its committee and individual directors was also discussed.

7. Policy on Directors' appointment and remuneration and others details:

The Company's policy on Directors appointment and remuneration and other matters provided in section 178 of the Companies Act are as under:

#### NOMINATION AND REMUNERATION POLICY OF ANJANI FOODS LIMITED INTRODUCTION

The Remuneration Policy of Anjani Foods Limited (the "Company") is aligned with the compensation philosophy of its competitors which is to pay competitively and reward performance. To achieve this philosophy, total compensation is based on employee's role, market value of job and employees' contributions.

This Policy is designed to attract, motivate, and retain talent by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and retirement benefits.

The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

This Remuneration Policy applies to Directors and senior management including its Key Managerial Personnel (KMP) of the Company.

## 1. DEFINITIONS

Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company.

“Committee” means Nomination and Remuneration Committee constituted by the Board

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

Chief Executive Officer or the Managing Director or Manager Whole-time director;  
Chief Financial Officer;  
Company Secretary; and  
such other officer as may be prescribed by the Companies Act, 2013.

“Executive Directors” mean Managing Director/ Jt. Managing Director and Whole Time Director, if any.

“Senior Management” means personnel of the company who are members of senior leadership typically vice presidents or equivalent and higher position levels.

## 2. GUIDING PRINCIPLE

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining talented employees.

While designing remuneration packages, industry's best practices, cost of living and potential of employees are also taken into consideration.

## 3. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

### 3.1. General:

- a. The remuneration package of KMP will be determined by the Committee and recommended to Board for approval. In addition, the approval of the shareholders of the Company and Central Government, wherever required, will be obtained for the remuneration package of Executive Directors. The remuneration package of other senior management personnel will be recommended by Chairman & Managing Director and submitted to Committee for approval.

b) The remuneration package of Executive Directors shall be in accordance with the percentage / slabs / conditions laid down in the Act.

c) Increments to the existing remuneration package of Executive Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.

3.2. Where any insurance is taken by the Company on behalf of its Directors, Executive Directors, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to such personnel.

#### 4. REMUNERATION TO EXECUTIVE DIRECTORS KMP AND SENIOR MANAGEMENT PERSONNEL:

##### 1. Pay and Allowances:

The Executive Directors, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Committee or Board on the recommendation of the Committee. The remuneration comprises of basic pay and allowances in addition to perquisites such as contribution to Provident Fund, Gratuity, group life insurance, group medical insurance etc.

##### 2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### 3. Provisions for excess remuneration:

If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

##### 4. Remuneration to Independent Directors:

##### 1. Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Act.

## a) Sitting Fees:

Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount fixed by the Board from time to time.

## b) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

## c) Stock Options:

An Independent Director shall not be entitled to any stock options of the Company.

## d) Expenses for attending meetings

The expenses incurred by the Independent Directors for attending the meetings of Board of Directors and Committees of the Board shall be reimbursed by the Company or alternatively the Company may provide air tickets, lodging facility and conveyance to the Independent Directors.

## 5. Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Whole time Directors and KMP/senior management personnel may be disclosed in the Company's annual financial statements/ Annual Report as per statutory requirements.

## 6. Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel.

## 7. Performance evaluation criteria for Independent Directors:

The Board of Directors evaluates the performance of independent directors on yearly basis.

## a. All pecuniary relationship or transactions of the non-executive directors

The Company has paid Rs. 4,000/- as fees for attending Board meetings each to Mr. P.S.Raju and Mr. S.V.S.Shetty and Rs. 3,000 to Mr. K.Hari Babu (Non-Executive-Independent Directors) and Rs. 1,000/- each to Mr. K.Aditya Vissam and Ms. K.Anuradha during the financial year ended on March 31, 2020.

## b. Disclosure with respect to remuneration:

No other element of remuneration package is paid to the Non-Executive Directors except payment of sitting fees to the Independent Non-Executive Director as disclosed above.

The Company did not issue any stock options during the year.

The constitution of the committee was reshuffled on 01.08.2019. Mr. P. Ranganath & Mr. K. Hari Babu had replaced the outgoing independent directors Mr. S. Ram Kumar and Mr. P.V.R.L. Narasimha Raju. Ms. K. Anuradha Raju had replaced Mr. K. V.Vishnu Raju as a non-executive director in the committee.

Three meetings of the committee were held during the year. The dates being 01.08.2019 and 29.08.2019 and 01.02.2020

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 The Nomination & Remuneration Committee as on 31 March 2020, comprised following three (3) Non-Executive Directors:

S.No	Name	Positions held in the committee	Number of Meetings held	Number of meetings attended
1.	K. Hari Babu	Chairman	3	3
2.	P. Ranganath	Member	3	3
3.	K. Anuradha Raju	Member	3	3

8. Internal Financial Control Systems and their Adequacy:  
The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis and which forms a part of this report.

9. Audit Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 The Audit Committee as on 31 March 2020, comprised following five (5) Non-Executive Directors and one (1) Whole-time Director. The committee was reconstituted on 29.08.2019 on account of appointment of 2 new independent directors on the board. Mr.S.V.S.Shetty, Mr. P.S. Raju, Mr. P. Ranganath & Mr. K. Hari Babu have become members as directors in independent capacity. Mr. R., Ravichandran is an Executive Director member whereas Mr. K. Aditya Vissam has replaced Mr. K.V.Vishnu Raju in the committee.

S.No	Name	Positions held in the committee	Number of Meetings held	Number of meetings attended
1.	P. Ranganath	Chairman	4	4
2.	K.Hari Babu	Member	4	4
3.	R.Ravichandran	Member	4	4
4.	K.Aditya Vissam	Member	4	3
5.	P.S.Raju	Member	4	2
6.	S.V.S.Shetty	Member	4	2

The role of the Audit Committee flows directly from the Board of Director's overview function, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The term of reference of the Audit Committee broadly includes: -

- i. acting as a catalyst, in helping the organization achieve its objectives
- ii. The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.
- iii. The Audit Committee also reviews Management letters and the responses thereto by the Management. During the year under review.
- iv. The Audit Committee held four (4) Meetings, the dates of the meetings being 28 May 2019, 13 August 2019, 13 November 2019 and 11 February, 2020.

The Chief Financial Officer, Internal Auditors, Statutory Auditors and other Executives as considered appropriate, also attended the Audit Committee Meetings. Internal Audit and Control: M/s. V.R.K.S.S.Prasad & Associates, Chartered Accountants, are the Internal Auditors of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the Internal Auditor and the internal control system are periodically reviewed by the Audit Committee.

11. Stakeholders Relationship Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 The Stakeholders Relationship Committee as on 31 March 2020, comprised following three (3) Directors: 3 (Three) meetings were held throughout the year on 29.06.2019, 28.09.2019, 31.12.2019. Mr. K.V. Vishnu Raju was reinstated in the committee in place of Mr. S. Ram Kumar on 29.06.2019.

S.No	Name	Positions held in the committee	Number of Meetings held	Number of meetings attended
1.	K.V.Vishnu Raju	Chairman	3	3
2.	R.Ravichandran	Member	3	3
3.	K.Hari Babu	Member	3	2

12. The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year:  
The Company has not developed and implemented any Corporate Social Responsibility policy and initiatives, as the said provisions are not applicable

13. A statement on declaration given by independent directors under Sub-Section (6) of Section 149:  
The provisions of Section 149(6) relating to Independent Directors has been complied with.

14. Material changes and commitments, if, any, affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and date of the report.  
The company received the balance calls-in-arrears of Rs. 1,19,599 on 1,20,000 nos. of shares against request letters that were sent out to the aggrieved shareholders. Hence, the paid-up share capital of the company is Rs. 5,58,97,800 as at 31st March, 2020.

15. Risk Management:

The Board of the company regularly reviews and had adopted measures to frame, implement and monitor the risk management plan for the company. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risk identified, if any, by the business functions are systematically addressed through mitigating actions on a continuing basis

16. Particulars of Loans, Guarantees or Investments Under Section 186 of the Companies Act, 2013:

During the year under review, the company had advanced loan as "Inter Corporate Deposits" with M/s. Senta Foodwork Private Limited.

17. Particulars of contracts or arrangements made with related parties Under Section 188 of the Companies Act, 2013:

None of the transactions with related parties fall under the scope of section 188(1) of the act. Information on transaction with related parties pursuant to section 134(3) (h) of the act read with rule 8(2) of the companies (Accounts) Rules, 2014 are given in Annexure-1 in Form AOC-2 and the same forms part of this report.

18. The change in the nature of business, if any:

There was no change in the nature of Business.

19. The details of directors or key managerial personnel who were appointed or have resigned during the year:

During the period under review, two directors in independent capacity were appointed to the Board. Mr. S.V.S.Shety and Mr. P.S.Raju were appointed as Directors in the Board Meeting held on 29.08.2019 and were regularized by the members in the AGM held on 27.09.2019. Mr. R.Ravichandran was re-appointed as the Whole-time Director of the company for a period of 5 years from 01.08.2019 till 31.07.2024 who was regularized at the AGM of the company held on 27.09.2019.

20. The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year:

During the year under review, there was no such instance.

21. Highlights on performance of subsidiaries, associate and Joint Ventures and contribution to the overall performance of the Company during the period under review:

Not Applicable.

22. Statement containing salient features of Financial Statement of Subsidiaries or Associate Companies or Joint Ventures:

Not Applicable.

23. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.



## 24. Particulars of Employees:

The information required under section 197 of the act read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules 2014, are given below:

- a. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year:

Non Executive Directors	Ratio to median remuneration
K.V.Vishnu Raju	NIL
S.V.S.Shetty	NIL
K.Hari Babu	NIL
P.S.Raju	NIL
K. Anuradha	NIL
K. Aditya Vissam	NIL
P.Ranganath	NIL
Executive Directors	Ratio to median remuneration
Ravichandran Rajagopal	1.48:1

- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Director, Chief Financial Officer, Company Secretary	% of increase in remuneration in the financial year
Ravichandran Rajagopal – Whole Time Director	10%
R.K.Pooja – Company Secretary	10%

- c. Percentage increase in median remuneration of employees in the financial year : 8%
- d. The number of permanent employees on the rolls of the company: 120
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	R. Ravichandran	R.K.Pooja
Remuneration in FY 19-20 (Rs. Crores)	0.17	0.06
Revenue(Rs. Crores)	27.80	27.80
Remuneration as % of Revenue	0.61	0.22
Profit before tax (PBT) (Rs. Crores)	0.49	0.49
Remuneration (as % of PBT)	34.69	12.24

f. Affirmation that the remuneration is as per the remuneration policy of the company:  
The Company affirms remuneration is as per the Remuneration policy of the company.

25. Disclosure as per Sexual Harassment at Work Place (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressed of Sexual Harassment of in line with the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under. The Policy aims to provide protection to employees and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has formed the Internal Complaints Committee and the members have been emphasized on the roles and responsibilities. The Internal Complaints Committee as on 31 March 2020, comprised following three (3) members:

S.No	Name	Positions held in the committee	Designation in the company
1.	K.Anuradha Raju	Chairperson/Presiding Officer	Woman Director
2.	N.Maharshi	Member	HR Manager
3.	R.K.Pooja	Member	Company Secretary

26. Disclosure Requirements:

As per Regulation 27(2) of SEBI (Listing obligations & Disclosure Requirement) Rules, 2015 which came into force on 01st December, 2015, the company is exempted to submit quarterly corporate governance reports in the BSE Listing Centre. Pursuant to section 177(9) of Companies Act, 2013 read with rule 7 of Companies (Meetings of Board and its Powers) Rules, the Board has adopted the Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner.

A Mechanism has been established which aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

27. Auditors:

Pursuant to the provision of section 139 of the act and the rules framed thereunder, M/s. M. Anandam & Co., Chartered Accountants, Hyderabad (Firm Registration No. 000125S), were appointed as Statutory Auditors from the conclusion of 33rd Annual General Meeting held on 28.12.2017 for a period of 5 years.

28. Secretarial Auditors' Report:

In pursuance of Section 204 of the Companies Act, 2013 Read with Rules made there under, the Board has appointed M/s D. Hanumanta Raju & Co. Practicing Company Secretaries as Secretarial Auditor of the company to carry out the

Secretarial Audit for the financial year 2019-20 and the report of the secretarial auditor is annexed to this report

29. Clarifications on Auditors Comments in Auditors Report:

There were comments made by the secretarial auditor during the year.

Observations	Company's Remarks
As required under Regulation 31(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 hundred percent of the shareholding of promoters and promoters' group is not in dematerialized form	The company is in the process of getting the shares of the promoters and promoters' group into dematerialized form

30. Annual Return web link:

The web link to the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is [www.anjanifoods.in](http://www.anjanifoods.in).

31. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as under

a. Conservation of energy	:	NIL
b. Technology absorption	:	NIL
c. Foreign exchange earnings	:	NIL
d. Foreign exchange outgo	:	NIL

32. Impact of Covid-19 Pandemic

The COVID-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of lockdown that started on March 23, 2020. The Government had ordered temporarily closure of all non-essential businesses, imposed restrictions on movement of goods/ material, travel etc. but provision of essential commodities was allowed subject to adhering of protocol and safety measures issued by the Ministry of Health & Family Welfare. Hence, Company had to temporarily suspend and close its operations through its retail outlets in the state of AP & Telangana from March 23, 2020 in order to control the community transmission/spread of Covid-19 pandemic. However, subsequently the retail outlets were opened for takeaway and home delivery orders only. The distribution channel of the company was operational throughout as the company falls under the category of "Essential Commodities Supplier".

Your Company has implemented Work from Home Policy for its offices wherever possible. Further, strict COVID protection protocol has been implemented at all workplaces including the Plant. The workers are being provided mask during work, work place are getting sanitized regularly, reduced number of workers operating in

shifts so that work place is not over crowded at one time etc. and if required, may close down its operation on directions from central/state government.

### 33. Future Plan of Action:

#### Business Model

Fresh Choice (FC) stands for a great tasting and premium quality product that aims to provide good value to all demographics.

FC is and will continue to be a well-trusted brand. Core value remains understanding what our customers' needs are and religiously working to provide them with a top notch product.

FC caters to a varied range of markets and segments. It will continue to have a solid retail presence well beyond the boundaries of Visakhapatnam. Similarly it will continue to spread its distribution network in both rural and urban markets. The brand will not undertake a cookie-cutter approach. Products will be tailored keeping in mind the consumer at hand.

#### Short-term plan

FC will have a strong market presence in 5 districts of AP (Visakhapatnam, Vizianagaram, Srikakulam, E.G & W.G). Along with being the market leader for bread distribution in these 5 districts, a range of cookies, buns, muffins, rusks and cakes will be launched at competitive price- points to create a basket of products. These to-be launched products will be introduced in a phase- wise manner. While they will be priced keeping in mind the value consciousness factor, the goal is to offer products that have a clear distinction in terms of quality and innovation while maintaining a certain level of ingredient transparency that competitors generally stray away from.

For retail, the strategy will be to open around 10-15 new outlets in the financial year 2020-21. These outlets will help strengthen the brand image and aid distribution sales. While the distribution product range will be available in these outlets, the stores will also sell certain products and product types exclusive to these outlets that will help in creating a customer experience and bring in a novelty factor too. Ideally, these new format outlets will be in the range of 400-800 sft. (Most of the stores will require the provision of cold storage to store cakes, frozen puffs, savouries and desserts).

#### Long-term plan

AFL has set itself a 5 year business goal of reaching a turnover of 250 crores. While the business model will continue to evolve with time, the basic idea remains to be a strong regional brand that focuses equally on both manufacturing and retailing baked goods. The present Unit I and Unit II in Modavalasa will solely cater to the business needs for the next 2 years. In that period, CapEx will majorly be invested in the form of equipment (building cold storages, packing machines, investing in logistics) that will have a direct bearing on operational efficiency.

From Year 2 onwards, the focus will be to expand to further geographies that would require setting up production units across multiple states. 4 manufacturing units to be operational in the span of 5 years. By FY 25-26, the dream would be to be present across 7-8 states (AP, Telangana, Karnataka, Tamil Nadu Kerala, Maharashtra, Orissa and Chhattisgarh). The revenues generated will be through a combination of company operated retail stores as well as distribution sales via modern trade and general trade.

In terms of market penetration, the goal by FY 25-26 is to be present in 30000 modern and general trade outlets combined and operate/franchise about 150 exclusive Fresh Choice retail outlets.

34. Maintenance of Cost Records:

Maintenance of cost records is not specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 to our company.

35. Acknowledgement:

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co operation and support.

The Directors also thank the Government of India, the Concerned State Governments, Government departments and Governmental Agencies for their co-operation.

For and on Behalf of the Board of  
Anjani Foods Limited

Place: Hyderabad  
Date: 31.08.2020

R.Ravichandran  
Whole time Director  
(DIN 00110930)

K.V.Vishnu Raju  
Chairman  
(DIN 00480361)

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
ANJANI FOODS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "ANJANI FOODS LIMITED" (hereinafter called the company). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the period of audit)
- (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, 2015.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the period of audit);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period of audit); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the period of audit);
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other laws applicable specifically to the Company include:
- a) Food Safety and Standards Act, 2006 and the rules made there under.
  - b) The Legal Metrology Act, 2009 and the rules made there under.
  - c) Agricultural Produce (Grading and Marking) Act, 1937 and the rules made there under.
  - d) Bureau of Indian Standards (BIS) Act, 1986;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

- ☛ *As required under Regulation 31(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 hundred percent of the shareholding of promoters and promoters group is not in dematerialized form.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except for not having requisite numbers of Independent Directors from 14th February, 2019 till 28th August, 2019. 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.

Adequate notice is given to all directors in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

We further report that there are adequate systems and processes in the company to commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review the Company has passed Special Resolutions on 28th January, 2020 through postal ballot for sale of part of land situated at Kakinada and for approval for granting of loan by the Company to Senta Foodwork Private Limited in terms of the provisions of Section 185 and 186 of the Companies Act, 2013.

Place: Hyderabad  
Date : 31.08.2020

For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES

CS SHAIK RAZIA  
PARTNER  
FCS: 7122, CP NO: 7824  
UDIN: F007122B000638170

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



*'Annexure A'*

To,  
The Members,  
ANJANI FOODS LIMITED

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

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

Place: Hyderabad  
Date : 31.08.2020

For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES

CS SHAIK RAZIA  
PARTNER  
FCS: 7122, CP NO: 7824  
UDIN: F007122B000638170

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 201 Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

## 1. Details of contracts or arrangements or transactions not at arm's length basis:

The company has not entered into any related party transaction during the year under review.

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions:

(c) Duration of the contracts / arrangements/transactions:

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Justification for entering into such contracts or arrangements or transactions:

(f) Date(s) of approval by the Board:

(g) Amount paid as advances, if any:

Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

## Details of material contracts or arrangement or transactions at arm's length basis:

RELATED PARTY 1

(a) Name(s) of the related party and nature of relationship: Senta Foodwork Private Limited

(a) Nature of contracts/arrangements/transactions: Advance for Working Capital

(b) Duration of the contracts / arrangements/transactions: Continuous

(c) Salient terms of the contracts or arrangements or transactions including the value, if any: Interest @ 11% is charged on the amount advanced

(d) Date(s) of approval by the Board, if any: 26.12.2019

(a) Amount paid as advances, if any: Rs. 2.23 Crores

RELATED PARTY 2

- (g) Name(s) of the related party and nature of relationship: Vishnu Allied Services Limited
- (H) Nature of contracts/arrangements/transactions: Advance received against sale of land
- (i) Duration of the contracts / arrangements/transactions: Continuous
- (J) Salient terms of the contracts or arrangements or transactions including the value, if any: Company owned land in Kakinada will be sold to M/s. Vishnu Allied Services Limited
- (K) Date(s) of approval by the Board, if any: 26.12.2019
- (K) Amount paid/received as advances, if any: Rs. 2.97 Crores

For and on Behalf of the Board of  
Anjani Foods Limited

Place: Hyderabad  
Date: 31.08.2020

R.Ravichandran  
Whole time Director  
(DIN 00110930)

K.V.Vishnu Raju  
Chairman  
(DIN 00480361)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We submit hereunder Management Discussion and Analysis Report on the business of the company as applicable to the extent relevant. Your Company has explored its activities by taking up activities like Bakery and retailing in order to meet competitive market situation. It has strengthened its product portfolio by investing in product development. AFL will be investing in scaling up specific categories so as to penetrate new markets and trade channels and benefit from competitive pricing and profitability.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company is among the most trusted bakery brands with a wide and growing portfolio of products in this segment that include Bread & Bun, Rusk, Cakes & Pastries, Desserts, Biscuits & Cookies, Dry Cakes, Savouries, pizzas, pastas, sandwiches, Beverages, Confectionaries and others with over 300 variants to choose from.

The unprecedented outbreak of COVID-19 impacted the global economy and human life, making it a very challenging environment for all the businesses. The changes forced on people and businesses by the pandemic are likely to last for some time and established ways of doing business may undergo changes leading to new ways of working.

### SEGMENT INFORMATION:

The Primary Business segment of your Company is food.

### OPPORTUNITIES, RISKS, CONCERNS THREATS & OUTLOOK:

Indian consumer with constantly expanding wallet and higher aspiration constitutes to be the largest opportunity for your Company. Second opportunity lies in the constant force of technology change. This provides your Company with opportunity to meet consumer needs differently from its competitors. Technology also gives us opportunity to improve efficiency and productivity. Growth of individual categories is linked to the overall economic growth. Primary risk to the business will be on account of adverse changes to the economy. Volatility in commodity prices is the other risk. Your Company is looking forward to meet the needs of changing economic scene in India and also to enhance the size and value of business activities of the company so that it will be able to achieve optimal return on capital employed.

### INTERNAL CONTROL SYSTEMS & ADEQUACY:

Your Company's internal control systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information. The Board and Audit Committee regularly evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting.

The Directors had laid down internal financial controls to be followed by the company and such policies and procedures have been adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

### FINANCIAL AND OPERATIONAL PERFORMANCE:

The sales and other income were Rs 2,779.71 Lakhs as against Rs 2,387.50 Lakhs and Rs. in

the previous year. The net profit/ (loss) for the year was Rs. 66.85 Lakhs against Rs. 12.63 Lakhs.

#### HUMAN RESOURCES, INDUSTRY DEVELOPMENT RELATIONS:

Your Company has laid high emphasis on driving an effective and transparent Performance Culture and an open mind-set. Your Company is committed to creating an environment of learning and development, promote internal talent and develop cross functional expertise. The human resource strategy is focused on creating a performance driven environment in the company, where innovations is encouraged, performance is recognized and employees are motivated to realize their potential.

#### SENIOR MANAGEMENT DISCLOSURES:

The Company's senior management makes disclosures to the Board relating to all material financial and commercial transactions as when they occur.

#### CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations and such forward-looking statements involve risks and uncertainties. Actual results could differ materially from those expressed or implied important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the Countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speaks only as of their dates.

Details of significant changes (i.e. Change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

Operational Profit Margin : 3.65 times

Net Profit Margin : 5 times

For and on Behalf of the Board of  
Anjani Foods Limited

Place: Hyderabad  
Date: 31.08.2020

R.Ravichandran  
Whole time Director  
(DIN 00110930)

K.V.Vishnu Raju  
Chairman  
(DIN 00480361)

## Independent Auditor's Report

To the Members of Anjani Foods Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Anjani Foods Limited, which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred.</p> <p>Refer Note 2 to the financial statements – Significant Accounting Policies.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of tests of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of Company's revenue recognition in line with Ind AS 115 – Revenue from Contracts with Customers.</li> <li>• Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>• Testing the effectiveness of such controls over revenue cut off at the year end.</li> <li>• Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Directors' Report but does not include the financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss(including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. The Company has not transferred Rs. 0.67 Lakh, which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

M.R. Vikram  
Partner  
Membership No.021012

UDIN: 20021012AAAABB7022

Place: Hyderabad  
Date: 30th July, 2020

## Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Anjani Foods Limited as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Act.

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls over Financial Reporting

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

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

M.R. Vikram  
Partner  
Membership No. 021012

UDIN: 20021012AAAABB7022

Place: Hyderabad  
Date: 30th July, 2020

## Annexure "B" to the Independent Auditor's Report

With reference to Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company, we report that:

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The company has granted unsecured loans to one party covered in the register maintained under section 189 of the Act.
  - a) In our opinion and according to the information given to us, the term and conditions of the loan given by the Company are prima facie, not prejudicial to the interest of the Company.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and / or receipts of interest have been regular.
  - c) There are no overdue amounts as at the year-end in respect of both principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security given, Wherever applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) According to the information and explanations given to us, in respect of the Company, Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and services tax cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, Customs duty, or cess, which have not been deposited on account of their being disputed by the company, as at 31st March, 2020.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The company has not availed any loans from the government and the Company has not issued any debentures.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and 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 based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

M.R. Vikram  
Partner  
Membership No. 021012

UDIN: 20021012AAAABB7022

Place: Hyderabad  
Date: 30th July, 2020

**ANJANI FOODS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2020**

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Note	31 March 2020	31 March 2019
<b>I. ASSETS</b>			
Non-current Assets			
(a) Property, Plant and Equipment	4.1	1,399.49	1,408.84
(b) Capital work-in-progress		500.42	82.10
(c) Goodwill	4.2	115.69	115.69
(d) Other Intangible assets	4.3	2.92	3.80
(e) Financial assets			
(i) Investments	5.1	0.50	0.50
(ii) Other financial assets	5.2	23.26	21.99
(f) Other non-current assets	6.0	15.61	2.80
Current Assets			
(a) Inventories	7.0	309.95	319.43
(b) Financial assets			
(i) Trade receivables	8.1	56.53	53.01
(ii) Cash and cash equivalents	8.2	52.45	44.47
(iii) Bank balances other than (ii) above	8.3	0.66	0.66
(iv) Loans	8.4	231.83	208.94
(v) Other financial assets	8.5	18.05	16.42
(v) Other financial assets	9.0	4.99	11.28
(d) Other current assets	10.0	23.12	18.87
<b>TOTAL ASSETS</b>		<b>2,755.47</b>	<b>2,308.80</b>
<b>II. EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity share capital	11.0	558.98	557.78
(b) Other equity	12.0	365.65	298.80
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.1	173.02	269.55
(ii) Other financial liabilities	13.2	0.62	0.62
(b) Provisions	14.0	64.59	80.04
(c) Deferred tax liabilities (net)	15.0	16.76	19.59
(d) Other non-current liabilities	16.0	894.81	520.36
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17.1	202.41	184.55
(ii) Trade payables	17.2		
A. Dues to micro and small enterprises		3.03	1.49
B. Dues to creditors other than micro and small enterprises		290.42	261.06
(iii) Other financial liabilities	17.3	161.54	95.03
(b) Other current liabilities	18.0	15.17	11.87
(c) Provisions	14.0	8.47	8.06
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,755.47</b>	<b>2,308.80</b>

Summary of significant accounting policies 2  
The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M.Anandam & Co.,  
Chartered Accountants  
Firm Registration Number: 000125S

On behalf of Board of Directors

M.R.Vikram  
Partner  
Membership Number: 021012

K.V.Vishnu Raju  
Chairman  
(DIN: 00480361)

R.Ravichandran  
Whole time Director  
(DIN: 00110930)

Place: Hyderabad  
Date: 30-07-2020

B. Rajasekhar  
Chief Financial Officer  
(PAN: AGTIPB3676J)

R.K.Pooja  
Company Secretary  
(M No: A41361)

**ANJANI FOODS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020**

All amounts in ₹ lakhs, unless otherwise stated

Particulars		Year ended 31st March 2020	Year ended 31st March 2019
I. Revenue from operations	19	2,754.47	2,331.91
II. Other income	20	25.24	55.60
III. Total revenue (I + II)		2,779.71	2,387.50
IV. Expenses			
Cost of materials consumed	21	1,262.59	1,067.58
Purchases of stock-in-trade		155.28	128.39
Changes in inventories of finished goods and Stock-in-Trade	22	12.39	46.80
Employee benefits expense	23	458.53	416.99
Finance costs	24	37.05	33.75
Depreciation and amortization expense	25	65.21	66.66
Other expenses	26	739.71	613.94
Total expenses		2,730.75	2,374.09
V. Profit before tax (III - IV)		48.96	13.41
VI. Tax expense:			
(1) Current tax including Earlier year Taxes	27	9.91	4.10
(2) Deferred tax	15	(9.32)	8.03
VII. Profit for the period (V-VI)		48.36	1.27
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		24.99	15.35
b) Income tax relating to item (a) above		(6.50)	(3.99)
Other comprehensive income (net of tax)		18.49	11.36
IX. Total comprehensive income for the year		66.85	12.63
X. Earnings per equity share	34		
(1) Basic		0.87	0.02
(2) Diluted		0.87	0.02

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M.Anandam & Co.,  
Chartered Accountants  
Firm Registration Number: 000125S

On behalf of Board of Directors

M.R.Vikram  
Partner  
Membership Number: 021012

K.V.Vishnu Raju  
Chairman  
(DIN: 00480361)

R.Ravichandran  
Whole time Director  
(DIN: 00110930)

Place: Hyderabad  
Date: 30-07-2020

B. Rajasekhar  
Chief Financial Officer  
(PAN: AGTPB3676J)

R.K.Pooja  
Company Secretary  
(M No: A41361)



**ANJANI FOODS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31st March 2020	31st March 2019
Cash flow from operating activities		
Profit before tax	48.96	13.41
Adjustments for:		
Depreciation and amortisation expense	65.21	66.66
(Gain) on disposal of property, plant and equipment	-	(11.48)
Interest income	(24.20)	(7.09)
Finance costs	37.05	33.75
Remeasurement of defined employee benefit plans	24.99	15.35
Change in operating assets and liabilities		
(Increase)/Decrease in Trade Receivables	(3.52)	14.50
(Increase) in financial assets other than trade receivables	(25.78)	(195.32)
(Increase)/Decrease in other assets	(17.07)	11.65
(Increase) in Current Tax assets	(1.78)	(0.35)
(Increase)/Decrease in Inventories	9.49	(13.17)
Increase in Trade payables	30.89	36.39
Increase / (Decrease) in other financial liabilities	66.52	(20.74)
(Decrease) / Increase in provisions	(15.05)	2.82
Increase / (Decrease) in other liabilities	377.76	68.55
Cash generated from operations	573.46	14.91
Direct taxes paid	(1.85)	(0.82)
Net cash generated from operating activities	571.61	14.09
Cash flows from investing activities		
Purchase of property plant and equipment	(54.98)	(195.11)
(Increase) / Decrease in Capital Work in Progress	(418.32)	(3.35)
Interest received	24.20	7.09
Proceeds from sale of property, plant and equipment	-	66.14
Net cash used in investing activities	(449.11)	(125.24)
Cash flow from financing activities		
(Repayment)/Proceeds from non-current borrowings(net)	(96.53)	156.90
Proceeds from current borrowings(net)	17.86	4.53
Proceeds from issue of share capital	1.20	-
Finance costs	(37.05)	(33.75)
Net cash used in financing activities	(114.52)	127.68
Net increase / (Decrease) in cash and cash equivalents	7.98	16.54
Cash and Cash equivalents at the beginning of the Year	44.47	27.94
Cash and Cash equivalents at the end of the Year	52.45	44.47

**Notes :**

Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M.Anandam & Co.,  
Chartered Accountants  
Firm Registration Number: 000125S

On behalf of Board of Directors

M.R.Vikram  
Partner  
Membership Number: 021012

B.V.Vishnu Raju  
Chairman  
(DIN: 00480361)

R.Ravichandran  
Whole time Director  
(DIN: 00110930)

Place: Hyderabad  
Date: 30-07-2020

B. Rajasekhar  
Chief Financial Officer  
(PAN: AGTPB3676J)

R.K.Pooja  
Company Secretary  
(M No: A41361)

**ANJANI FOODS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**

All amounts in ₹ lakhs, unless otherwise stated

a. Equity share capital

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
Balance at the beginning of the year	11	557.78	557.78
Add: Changes in equity share capital during the year		1.20	-
Balance at the end of the Year		558.98	557.78

b. Other equity

Particulars	Note	Reserves and Surplus			Total
		Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 01 April, 2018	12	22.13	69.30	194.74	286.17
Profit for the year		-	-	1.27	1.27
Other comprehensive income		-	-	11.36	11.36
Balance as at 31 March, 2019		22.13	69.30	207.37	298.80
Profit/(Loss) for the year		-	-	48.36	48.36
Other comprehensive income		-	-	18.49	18.49
Balance as at 31 March, 2020		22.13	69.30	274.22	365.65

Summary of significant accounting policies 2  
The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M.Anandam & Co.,  
Chartered Accountants  
Firm Registration Number: 000125S

On behalf of Board of Directors

M.R.Vikram  
Partner  
Membership Number: 021012

K.V.Vishnu Raju  
Chairman  
(DIN: 00480361)

R.Ravichandran  
Whole time Director  
(DIN: 00110930)

Place: Hyderabad  
Date: 30-07-2020

B. Rajasekhar  
Chief Financial Officer  
(PAN: AGTPB3676J)

R.K.Pooja  
Company Secretary  
(M No: A41361)

## ANJANI FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 1. Company Information

Anjani Foods Limited was incorporated in 25.06.1983 having registered office in Bhimavaram, West Godavari District, Andhra Pradesh. The Company is listed on the Bombay Stock Exchange (BSE). The Company is into the business of Production and Sale of Bakery Products.

## 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

## a) Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read along with the Companies (Indian Accounting Standards) Rules as amended and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. The presentation of financial statements is based on Ind AS Schedule III of the Companies Act, 2013.

## "New and amended standards adopted by the Company"

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits

The amendments listed above did not have any material impact on the amounts recognised in prior periods and to the current period.

## b) Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

## c) Dividends

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. "

#### d) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

#### e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties. Amounts disclosed as revenue are net of returns, trade allowances, rebates and Goods and Service Tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

#### a) Sale of products

"Timing of recognition- Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Measurement of revenue- Revenue from sales is based on the price specified in the sales, net of all discounts and returns at the time of sale. "

b) Dividend income is recognized when right to receive payment is established

c) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

#### f) Income tax

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

## Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### g) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### h) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## Financial Assets

### (i) Financial assets carried at amortised cost

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

### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

### (iii) Financial assets at fair value through profit or loss

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

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

## Financial liabilities

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

## Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### i) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

### j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

### k) Inventories

Raw materials, finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### l) Property, plant and equipment

"Freehold land is carried at historical cost. Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with carrying amount.

#### m) Intangible assets

##### (i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

##### (ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life. Computer Software is amortised over a period of five years and Goodwill arising on account of merger is amortised over a period of twenty years.

#### n) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### o) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.



Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

#### p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

#### q) Provisions, Contingent liabilities and Contingent assets

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent assets and is recognised.

#### r) Employee benefits

(l) Short-term obligations Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations. The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plan such as provident fund

#### Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

#### Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Earning per share

The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

u) Rounding of amounts

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

v) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2020.

### 3. Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

ANJANI FOODS LIMITED  
Notes to financial statements for the year ended 31st March 2020

4.1(a) Property, Plant and Equipment

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	For the year	
Land	471.82	-	-	471.82	-	-	-
Factory Building	335.03	-	-	335.03	30.74	11.73	42.46
Non Factory Buildings	120.05	-	-	120.05	3.27	2.12	5.39
Machinery/ Equipment	514.69	-	-	552.85	74.73	33.00	107.72
Furniture and Fixtures	73.40	38.15	-	85.04	34.20	7.03	41.22
Motor Vehicles	33.60	1.53	-	35.13	10.78	5.34	16.12
Office Equipment	18.40	1.26	-	19.66	7.71	3.68	11.39
Computers	14.55	2.40	-	16.95	11.28	1.44	12.72
<b>TOTAL</b>	<b>1,581.54</b>	<b>54.98</b>	<b>-</b>	<b>1,636.52</b>	<b>172.70</b>	<b>64.33</b>	<b>237.03</b>
							<b>1,399.49</b>

4.2(a) Goodwill

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	For the year	
Goodwill on account of Amalgamation	128.54	-	-	128.54	12.85	-	12.85
<b>TOTAL</b>	<b>128.54</b>	<b>-</b>	<b>-</b>	<b>128.54</b>	<b>12.85</b>	<b>-</b>	<b>12.85</b>
							<b>115.69</b>

4.3(a) Intangible assets

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	For the year	
Computer Software	4.63	-	-	4.63	0.83	0.88	1.71
<b>TOTAL</b>	<b>4.63</b>	<b>-</b>	<b>-</b>	<b>4.63</b>	<b>0.83</b>	<b>0.88</b>	<b>1.71</b>
							<b>2.92</b>

## 4.1(b) Property, Plant and Equipment

Particulars	Gross carrying amount			Accumulated depreciation				Net carrying amount
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	For the Year	On disposals/Adjustments	
Land	471.82	-	-	471.82	-	-	-	471.82
Factory Building	280.22	54.81	-	335.03	19.96	10.77	-	30.74
Non Factory Buildings	159.83	18.26	58.04	120.05	3.89	2.67	3.29	116.78
Machinery Equipment	413.73	100.96	-	514.69	46.26	28.47	-	74.73
Furniture and Fixtures	70.73	2.68	-	73.40	26.08	8.11	-	34.20
Motor Vehicles	20.88	12.72	-	33.60	6.97	3.81	-	10.78
Office Equipment	18.40	-	-	18.40	4.22	3.49	-	7.71
Computers	12.23	2.32	-	14.55	9.15	2.13	-	11.28
<b>TOTAL</b>	<b>1,447.83</b>	<b>191.75</b>	<b>58.04</b>	<b>1,581.54</b>	<b>116.54</b>	<b>59.46</b>	<b>3.29</b>	<b>1,408.84</b>

## 4.2(b) Goodwill

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	For the Year	
Goodwill on account of Amalgamation	128.54	-	-	128.54	6.43	6.43	12.85
<b>TOTAL</b>	<b>128.54</b>	<b>-</b>	<b>-</b>	<b>128.54</b>	<b>6.43</b>	<b>6.43</b>	<b>115.69</b>

## 4.3(b) Intangible assets

Particulars	Gross carrying amount			Accumulated amortisation			Net carrying amount
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	For the Year	
Computer Software	1.18	3.45	-	4.63	0.07	0.77	0.83
<b>TOTAL</b>	<b>1.18</b>	<b>3.45</b>	<b>-</b>	<b>4.63</b>	<b>0.07</b>	<b>0.77</b>	<b>3.80</b>

## Note:

1) Goodwill on account of amalgamation has arisen on account of amalgamation of Sai Aditya Foods and Retail Private Limited w.e.f 01.04.2016

**ANJANI FOODS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**5.1. Investments**

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2020	31 March 2019
<b>Investments in Equity Instruments (quoted - traded - fully paid up)</b>		
Fair value through profit and loss (FVTPL)		
<b>M/s. Regency Ceramics Limited</b>		
100 (Previous Year 100) equity shares of Rs.10/- each (Fully Impaired)	-	-
<b>Investments in Equity Instruments (quoted - non traded - fully paid up)</b>		
<b>M/s. Andhra Pradesh Steels Limited</b>		
10,200 (Previous Year 10,200) equity shares of Rs.10/- each (Fully Impaired)	-	-
<b>M/s. Spardeck Ceramics Limited</b>		
50 (Previous Year 50 ) equity shares of Rs.10/- each (Fully Impaired)	-	-
<b>Investments in Mutual Funds (quoted - non traded - fully paid up)</b>		
Fair value through profit and loss (FVTPL)		
<b>- In Morgan Stanely</b>		
5000 (Previous Year 5000) units of Rs.10/- each	0.50	0.50
<b>TOTAL</b>	<b>0.50</b>	<b>0.50</b>
Total of Unquoted Investments	<b>0.50</b>	<b>0.50</b>

**5.2. Other financial assets (non - current)**

Particulars	31 March 2020	31 March 2019
Security Deposits	22.63	21.99
Deposits with banks against guarantees	0.63	-
<b>TOTAL</b>	<b>23.26</b>	<b>21.99</b>

**6. Other non Current assets**

Particulars	31 March 2020	31 March 2019
Capital Advance	15.61	2.80
<b>TOTAL</b>	<b>15.61</b>	<b>2.80</b>

**7. Inventories**

Particulars	31 March 2020	31 March 2019
a) Raw material	239.11	236.21
b) Stock in Trade	20.79	-
c) Finished goods	50.05	83.22
<b>TOTAL</b>	<b>309.95</b>	<b>319.43</b>

**8.1. Trade receivables**

Particulars	31 March 2020	31 March 2019
Unsecured, considered good	56.65	53.01
Less: Allowance for expected credit loss	0.12	-
<b>TOTAL</b>	<b>56.53</b>	<b>53.01</b>

**8.2. Cash and cash equivalents**

Particulars	31 March 2020	31 March 2019
a) Balances with banks in current accounts	45.46	34.71
b) Cash on hand	6.99	9.77
<b>TOTAL</b>	<b>52.45</b>	<b>44.47</b>

**8.3. Bank balances other than (ii) above**

Particulars	31 March 2020	31 March 2019
Earmarked balances with banks - Unpaid Dividend Accounts	0.66	0.66
<b>TOTAL</b>	<b>0.66</b>	<b>0.66</b>

**8.4. Loans (current)**

Particulars	31 March 2020	31 March 2019
Unsecured, considered good Inter-corporate deposits*	231.83	208.94
<b>TOTAL</b>	<b>231.83</b>	<b>208.94</b>

\*The Company has given an inter corporate loans to Jugular Social Media Private Limited and Senta Foodwork Private Limited towards working capital.

**8.5. Other financial assets (current)**

Particulars	31 March 2020	31 March 2019
Employee advances	14.69	13.06
Rent Receivables	3.36	3.36
<b>TOTAL</b>	<b>18.05</b>	<b>16.42</b>

**9. Current tax assets (net)**

Particulars	31 March 2020	31 March 2019
TDS Receivable net of provision for tax	4.99	11.28
<b>TOTAL</b>	<b>4.99</b>	<b>11.28</b>

**10. Other current assets**

Particulars	31 March 2020	31 March 2019
Rent and Other deposits	9.50	7.38
Prepaid expenses	5.80	4.42
Supplier Advances	7.28	6.65
Advances for expenses	0.54	0.42
<b>TOTAL</b>	<b>23.12</b>	<b>18.87</b>

**11. Equity share capital**

Particulars	31 March 2020	31 March 2019
<b><u>Authorized:</u></b>		
80,00,000 (P.Y 80,00,000) equity shares of 10/- each	800.00	800.00
<b>TOTAL</b>	<b>800.00</b>	<b>800.00</b>
<b><u>Issued, subscribed &amp; paid-up capital</u></b>		
55,89,780 (P.Y 55,89,780) equity shares of 10/- each fully paid up	558.98	558.98
Less: Calls in Arrears	-	1.20
<b>TOTAL</b>	<b>558.98</b>	<b>557.78</b>

**(A) Movement in equity share capital:**

Particulars	Number of shares	Amount
<b>Balance at 01 April, 2018</b>	<b>55,89,780</b>	<b>558.98</b>
Movement during the year	-	-
<b>Balance at March 31, 2019</b>	<b>55,89,780</b>	<b>558.98</b>
Movement during the year	-	-
<b>Balance at March 31, 2020</b>	<b>55,89,780</b>	<b>558.98</b>



**(B) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31 March 2020		31 March 2019	
	No. of Shares	% holding	No. of Shares	% holding
K.V. Vishnu Raju	22,77,900	41.65%	22,77,900	41.65%
Vanitha Datla	3,19,200	5.84%	3,19,200	5.84%
K. Anuradha Raju	4,52,420	8.27%	4,52,420	8.27%

**(C) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders 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 shareholders."

**ANJANI FOODS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**12. Other equity**

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2020	31 March 2019
<b>Reserves and surplus</b>		
Securities premium reserve	22.13	22.13
General reserve	69.30	69.30
Retained earnings	274.22	207.37
<b>TOTAL</b>	<b>365.65</b>	<b>298.80</b>

**(i) Securities Premium Reserve**

Particulars	31 March 2020	31 March 2019
Opening balance	22.13	22.13
Movement during the year	-	-
<b>Closing balance</b>	<b>22.13</b>	<b>22.13</b>

**(ii) General Reserve**

Particulars	31 March 2020	31 March 2019
Opening balance	69.30	69.30
Movement during the year	-	-
<b>Closing balance</b>	<b>69.30</b>	<b>69.30</b>

**(iii) Retained earnings**

Particulars	31 March 2020	31 March 2019
Opening balance	207.37	194.74
Add: Profit for the year	48.36	1.27
Add: Remeasurements of post employment benefit obligation, net of tax (OCI)	18.49	11.36
<b>Closing balance</b>	<b>274.22</b>	<b>207.37</b>

**Nature and purpose of other reserves****(i) Securities Premium Reserve**

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the act.

**(ii) General Reserve**

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

**(iii) Retained earnings**

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**13.1. Borrowings (non- current)**

Particulars	31 March 2020	31 March 2019
<b>a) Secured loans</b>		
Term loans from banks	73.24	90.49
<b>b) Unsecured loans</b>		
Unsecured Loans from related parties	99.78	179.06
<b>TOTAL</b>	<b>173.02</b>	<b>269.55</b>

**13.1.a) Type and Nature of Borrowings**

Particulars	Amount outstanding	
	31 March 2020	31 March 2019
Term Loans (including current maturities)	97.24	114.49

b) Term loans from banks represents loans from M/s. Indian Bank, Visakhapatnam Branch for Rs 120 lakhs which are secured by pari-passu basis by the primary hypothecation of Stocks & Book Debts, Palnt & machinery & Furniture Fixtures.

**c) Repayment Schedule**

Year	Rs. In Lakh
FY 2020-21	24.00
FY 2021-22	24.00
FY 2022-23	24.00
FY 2023-24	24.00
FY 2024-25	1.24

**13.2. Other financial liabilities (non-current)**

Particulars	31 March 2020	31 March 2019
Unclaimed Dividend	0.62	0.62
<b>TOTAL</b>	<b>0.62</b>	<b>0.62</b>

**ANJANI FOODS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**14. Provisions**

All amounts in ₹ lakhs, unless otherwise stated

Particulars	31 March 2020	31 March 2019
<b>Non - Current</b>		
<b>Provision for employee benefits</b>		
- Gratuity	64.59	80.04
<b>TOTAL</b>	<b>64.59</b>	<b>80.04</b>
<b>Current</b>		
- Leave encashment	0.29	4.37
- Gratuity	8.18	3.69
<b>TOTAL</b>	<b>8.47</b>	<b>8.06</b>

**15. Deferred tax liabilities (net)**

Particulars	31 March 2020	31 March 2019
<b>a) Deferred tax assets</b>		
(Arising on account of timing difference)		
(a) Employee Benefits	18.99	21.77
(b) Carry forward losses	48.44	39.67
(c) Expected Credit Loss	0.03	-
<b>Total Deferred Tax Assets ( A )</b>	<b>67.46</b>	<b>61.44</b>
<b>b) Deferred tax liabilities</b>		
(Arising on account of timing difference)		
Depreciation and amortisation	84.22	81.03
<b>Total Deferred Tax Liabilities ( B )</b>	<b>84.22</b>	<b>81.03</b>
<b>Deferred tax liabilities (net) (A-B)</b>	<b>16.76</b>	<b>19.59</b>

**15.1. Movement in deferred tax liabilities (net)**

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 31 March, 2019	81.03	(61.44)	19.59
(Charged )/ Credited to statement of profit and loss	3.20	0.47	3.67
to Other comprehensive income	-	(6.50)	(6.50)
As at 31 March, 2020	<b>84.22</b>	<b>(67.46)</b>	<b>16.76</b>

**16. Other non-current liabilities**

Particulars	31 March 2020	31 March 2019
Advance Received against sale of assets	894.81	520.36
<b>TOTAL</b>	<b>894.81</b>	<b>520.36</b>

**17.1. Borrowings(Current)**

Particulars	31 March 2020	31 March 2019
<b>Loans repayable on demand</b>		
<b>a) Secured loans</b>		
Working capital loans from banks	202.41	184.55
<b>TOTAL</b>	<b>202.41</b>	<b>184.55</b>

The company has taken working capital loans from Indian Bank which are secured on pari-passu basis by hypothecation of the Company's raw materials, finished goods and book debts, present and future and second charge by way of hypothecation on factory land and building and Personal Guarantee of Directors. The loan carries floating rate of interest and interest rate as 31.03.2020 is 10.20% for OCC and 13.40% for Adhoc Limit.

**17.2. Trade payables**

Particulars	31 March 2020	31 March 2019
Dues to micro enterprises and small enterprises (Refer Note below)	3.03	1.49
Dues to creditors other than micro enterprises and small enterprises	290.42	261.06
<b>TOTAL</b>	<b>293.45</b>	<b>262.55</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	31 March 2020	31 March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.93	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.11	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	5.19	-
(iv) The amount of interest due and payable for the year	0.13	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.11	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.12	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**17.3. Other financial liabilities (current)**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Current maturities of Long Term Debt	24.00	24.00
Employee benefits payable	44.53	41.38
Expenses payable	30.37	20.36
Sundry deposits*	1.00	1.06
Bonus payable	6.54	6.56
Capital Creditors	55.10	1.67
<b>TOTAL</b>	<b>161.54</b>	<b>95.03</b>

\*Sundry deposits include security deposits from Distribution agents.

**18. Other current liabilities**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Statutory dues payable	15.17	9.08
Rental Advance	-	2.79
<b>TOTAL</b>	<b>15.17</b>	<b>11.87</b>

**ANJANI FOODS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**19. Revenue from operations**

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Sale of products	2,754.47	2,331.91
<b>TOTAL</b>	<b>2,754.47</b>	<b>2,331.91</b>

**20. Other income**

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Interest income	24.20	7.09
Rental Income	-	5.58
Creditors Written off	-	27.44
Profit on sale of asset	-	11.48
Miscellaneous income	1.04	4.00
<b>TOTAL</b>	<b>25.24</b>	<b>55.60</b>

**21. Cost of materials consumed**

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Opening Stock Raw Materials	236.21	176.24
Current Year Purchases	1,265.49	1,127.55
Closing Stock of Raw Materials	239.11	236.21
<b>TOTAL</b>	<b>1,262.59</b>	<b>1,067.58</b>

**22. Changes in inventories of finished goods and Stock-in-Trade**

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
<b>Opening inventory</b>		
Finished goods	83.22	130.02
Stock in trade	-	-
<b>(A)</b>	<b>83.22</b>	<b>130.02</b>
<b>Closing inventory</b>		
Finished goods	50.05	83.22
Stock in trade	20.79	-
<b>(B)</b>	<b>70.84</b>	<b>83.22</b>
<b>TOTAL (A-B)</b>	<b>12.39</b>	<b>46.80</b>

**23. Employee benefits expense**

<b>Particulars</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
Salaries and wages	379.62	332.61
Contribution to provident and other funds	28.77	29.51
Gratuity	15.84	16.33
Bonus	6.48	6.56
Leave encashment	3.05	2.07
Staff welfare expenses	24.77	29.90
<b>TOTAL</b>	<b>458.53</b>	<b>416.99</b>

**24. Finance cost**

<b>Particulars</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
Interest on borrowings	32.97	24.20
Other borrowing cost	4.00	9.55
Interest on shortfall of advance tax	0.08	-
<b>TOTAL</b>	<b>37.05</b>	<b>33.75</b>

**25. Depreciation and amortization expense**

<b>Particulars</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
Depreciation of property, plant and equipment	64.33	59.46
Amortisation of intangible assets	0.88	7.19
<b>TOTAL</b>	<b>65.21</b>	<b>66.66</b>



**26. Other expenses**

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Power and fuel	167.06	166.92
<b>Repairs and maintenance:</b>		
Buildings	2.59	1.16
Plant and machinery	28.65	39.14
Vehicles	36.81	39.24
Others	15.52	21.27
Insurance	2.59	3.31
Vehicle Hire Charges	30.00	25.80
Security & House keeping	39.75	34.06
Research and Development Expenses	1.27	0.72
Licence and Fees	4.55	3.23
Telephone and Postage	5.39	6.33
Printing and Stationery Expenses	3.44	5.07
Professional Charges	12.45	15.07
Rent, Rates & Taxes	98.79	35.37
Wages - contract labour	177.33	105.72
Travelling & conveyance	26.33	24.57
Commission & discount	17.35	9.61
Freight	31.34	29.71
Advertisement & sales promotion expenses	22.03	17.12
Payments to auditors (refer note 26 a)	2.18	2.49
Bank Charges	4.18	4.65
Provision for doubtful debts	0.12	0.00
Bad debts writtenoff	-	1.30
Miscellaneous expenses	9.99	22.10
<b>TOTAL</b>	<b>739.71</b>	<b>613.94</b>

**26.(a) Payment to auditors:**

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
<b>(a) To statutory auditors</b>		
-Statutory audit fee	0.80	0.80
-Tax audit fee	0.30	0.30
-For other services (including fees for quarterly audits)	0.80	0.86
-Reimbursement of expenses	0.28	0.53
<b>TOTAL</b>	<b>2.18</b>	<b>2.49</b>

**27. Current Tax (including earlier tax)**

Particulars	Year ended 31 Mar 2020	Year ended 31 Mar 2019
Current Tax	9.75	3.28
Add/(Less): Adjustment for Current Tax of Prior Periods	0.16	0.82
<b>Total</b>	<b>9.91</b>	<b>4.10</b>

Reconciliation of the Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax rate of the Company as follows.

<b>Particulars</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
Accounting Profit before Income Tax	48.96	13.41
Tax expenses recognised as per MAT (15.6%/19.24%)	9.75	3.28
Earlier year tax	0.16	0.82
Income Tax expense reported in the Statement of Profit and Loss	9.91	4.10

ANJNAI FOODS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Note - 28

(i) Leave obligations

**All amounts in ₹ lakhs, unless otherwise stated**

The leave obligation covers the Company's liability for earned leave which is unfunded.

(ii) Defined contribution plans

The Company has defined contribution plans namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	March 31, 2020	March 31, 2019
Company's Contribution to Provident Fund	23.80	22.36

(iii) Post-employment obligations

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave encashment is recognised in the same manner as gratuity.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	March 31, 2020	March 31, 2019
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	88.44	86.07
Current service costs	9.42	10.82
Past service cost	-	-
Interest costs	6.77	6.87
Remeasurement (gains)/losses	(25.00)	(15.32)
Benefits paid	1.81	-
<b>Obligation at the end of the year</b>	<b>77.82</b>	<b>88.44</b>
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	4.70	4.37
Interest income	0.36	0.33
Remeasurement (gains)/losses	-	-
Employer's contributions	-	-
Benefits paid	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>5.06</b>	<b>4.70</b>
<b>Expenses recognised in the statement of profit and loss consists of:</b>		
<b>Employee benefits expense:</b>		
Current service costs	9.42	10.82
Past service cost	-	-
Net interest expenses	6.41	6.55
	<b>15.83</b>	<b>17.37</b>
<b>Other comprehensive (income)/loss:</b>		
Actuarial (gains)/losses	(25.00)	(15.32)
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	<b>(25.00)</b>	<b>(15.32)</b>
<b>Expenses recognised in the statement of profit and loss</b>	<b>(9.17)</b>	<b>2.05</b>

Amounts recognised in the balance sheet consists of

	March 31, 2020	March 31, 2019
Fair value of plan assets at the end of the year	5.06	4.70
Present value of obligation at the end of the year	77.82	88.44
<b>Recognised as</b>		
Retirement benefit liability - Non-current	69.64	84.75
Retirement benefit liability - current	8.17	3.69

**Fair value of plan assets - 100% with LIC of India**

## iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	31 March 2020	31 March 2019	Rate	31 March 2020	31 March 2019	Rate	31 March 2020	31 March 2019
Discount rate	6.76%	7.65%	1%	(7.30)	(8.67)	1%	8.50	10.38
Salary growth rate	5.00%	10.00%	1%	8.50	9.52	1%	(7.90)	(8.43)
Attrition rate	5.00%	5.00%	1%	1.00	(1.42)	1%	(1.20)	10.38

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

## v) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

## Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

## Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

## Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee

## ANJNAI FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### 29. Financial instruments and risk management

##### Fair values

The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

##### (I) Categories of financial instruments

Particulars	Level	31 March 2020		31 March 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
<b>Financial assets measured at amortised cost</b>					
<b>Non-current</b>					
Investments	3	0.50	0.50	0.50	0.50
Other financial assets	3	23.26	23.26	21.99	21.99
<b>Current</b>					
Trade receivables	3	56.53	56.53	53.01	53.01
Cash and Cash Equivalents	3	52.45	52.45	44.47	44.47
Other bank balances	3	0.66	0.66	0.66	0.66
Loans	3	231.83	231.83	208.94	208.94
Other financial assets	3	18.05	18.05	16.42	16.42
<b>Total</b>		<b>382.78</b>	<b>382.78</b>	<b>345.50</b>	<b>345.50</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
<b>Non-current</b>					
Borrowings	3	173.02	173.02	269.55	269.55
Other financial liabilities	3	0.62	0.62	0.62	0.62
<b>Current</b>					
Borrowings	3	202.41	202.41	184.55	184.55
Trade Payables	3	293.45	293.45	262.55	262.55
Other Financial Liabilities	3	161.54	161.54	95.03	95.03
<b>Total</b>		<b>831.04</b>	<b>831.04</b>	<b>812.30</b>	<b>812.30</b>

\*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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 significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the Realisable Value.

### 30. Financial risk management

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

#### (A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables.

#### (i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is Nil as on Balance Sheet date.

#### (ii) Interest rate risk

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Change in interest rate				
increase by 1%	(2.75)	(2.81)	(2.75)	(2.81)
decrease by 1%	2.75	2.81	2.75	2.81

The assumed increase/(decrease) in interest rate for sensitivity analysis is based on the currently observable market environment.

#### (B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances and bank deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

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 default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

- i. Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.
- ii. Credit risk on trade receivables and other financial assets is evaluated as follows:

(I) Expected credit loss for trade receivable under simplified approach:

Particulars	31 March 2020	31 March 2019
Gross carrying amount	56.65	53.01
Expected credit losses (Loss allowance provision)	(0.12)	-
<b>Carrying amount of trade receivables</b>	<b>56.53</b>	<b>53.01</b>

**Expected credit loss for financial assets where general model is applied**

The financial assets which are exposed to credit are loans, employee advances and advance against share application money.

Particulars	31-Mar-20	31 March 2019
<b>Asset group</b>	<b>Estimated gross carrying amount at default</b>	<b>Estimated gross carrying amount at default</b>
<b>Gross carrying amount</b>		
Loans	231.83	208.94
Employee advances	14.69	13.06
	<b>246.52</b>	<b>222.00</b>
Expected credit losses	-	-
<b>Net carrying amount</b>		
Loans	231.83	208.94
Employee advances	14.69	13.06
<b>Total</b>	<b>246.52</b>	<b>222.00</b>

**(ii) Reconciliation of loss allowance provision**

Particulars	Trade receivables
<b>Loss allowance as at 31 March 2019</b>	-
Changes in loss allowance during the period of 2019-20	0.12
<b>Loss allowance as at 31 March 2020</b>	<b>0.12</b>

(iii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(C) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

**(I) Financing arrangements:**

The company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at	
	31 March 2020	31 March 2019
Expiring within one year (bank overdraft and other facilities)	264.00	5.51

**(ii) Maturities of Financial liabilities**

**Contractual maturities of financial liabilities as at :**

Particulars	31 March 2020		31 March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	202.41	173.02	184.55	269.55
Trade Payables	293.45	-	262.55	-
Other Financial Liabilities	161.54	0.62	95.03	0.62
<b>Total</b>	<b>657.40</b>	<b>173.64</b>	<b>542.13</b>	<b>270.17</b>

(iii) Management expects finance cost to be incurred for the year ending 31 March 2021 is Rs. 56.21 Lakhs.

**31. Capital management****A. Capital management and Gearing Ratio**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2020	31 March 2019
<b>Borrowings</b>		
Current	202.41	184.55
Non current	173.02	269.55
<b>Debt</b>	<b>375.43</b>	<b>454.10</b>
<b>Equity</b>		
Equity share capital	558.98	557.78
Other equity	365.65	298.80
<b>Total capital</b>	<b>924.63</b>	<b>856.58</b>
<b>Gearing ratio in % (Debt/ capital)</b>	<b>41%</b>	<b>53%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019



**ANJNAI FOODS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**32. Contingent liabilities & Commitments - Nil (P.Y - Nil)****33. Related party transactions****Names of related parties and nature of relationships:****All amounts in ₹ lakhs, unless otherwise stated**

Names of the related parties	Nature of relationship
<b>i) Key Managerial Personnel (KMP):</b>	
Ravichandran Rajagopal	Whole Time Director
Kalidindi Anuradha Raju	Director
Kalidindi Venkata Vishnu Raju	Chairman
Hari Babu Kolluri	Director
Parankusam Srinivas Ranganath	Director
Kalidindi Aditya Vissam	Director
Penmetsa Srinivasa Raju	Director
Siroor Valagudde Shanker Shetty	Director
Rajasekhar Bantupalli	Chief Financial Officer
Pooja Raja Kakarlapudi	Company Secretary
<b>ii) Enterprises in which key management personnel and/or their relatives have control:</b>	
Vishnu Allied Services Limited	
Sri Vishnu Educational Society	
Senta Foodwork Private Limited	

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

Names of the related parties	Nature of Transactions	Year ended	Year ended
		31 March 2020	31 March 2019
Ravichandran Rajagopal	Director's Remuneration	17.16	14.63
Kalidindi Aditya Vissam	Unsecured Loan Taken(Net)	-	7.50
Kalidindi Venkata Vishnu Raju	Unsecured Loan Taken	-	52.10
Vishnu Allied Services Limited	Advance against sale of land	230.50	67.00
Senta Foodwork Private Limited	Inter Corporate loans given	6.00	190.91
Senta Foodwork Private Limited	Interest Received	22.79	5.94
Senta Foodwork Private Limited	Raw Material Purchases	45.97	1.34
Rajasekhar Bantupalli	Unsecured Loan Repaid	-	2.00

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

Names of the related parties	Nature of Balance	31 March 2020	31 March 2019
Kalidindi Aditya Vissam	Unsecured Loan Taken	23.68	23.68
P.Krishna Ganga Raju	Unsecured Loan Taken	-	10.00
Kalidindi Venkata Vishnu Raju	Unsecured Loan Taken	76.10	76.10
Vishnu Allied Services Limited	Advance against sale of land	297.50	67.00
Senta Foodwork Private Limited	Inter Corporate loans given	222.77	196.26
Senta Foodwork Private Limited	Sundry Creditor	2.10	1.34

**34. Earnings per share (EPS)**

Particulars	31 March 2020	31 March 2019
Profit / (Loss)after tax	48.36	1.27
Weighted average number of equity shares in calculating Basic and Diluted EPS (in Numbers)	55,89,780	55,89,780
Face value per share ?	10	10
Basic and Diluted Earnings per Share (EPS) ?	0.87	0.02

## 35. Segment Information

a) The company's Director and Chief Financial Officer examine the Company's performance from a product prospective and have identified one operating segment viz Production and sale of bakery products. Hence segment reporting is not given.

## b) Information about products:

Revenue from external customers - Sale of Bakery Products Rs.2,754.47 Lakhs

## 36. Impact assessment of the global health pandemic – COVID 19 and related estimation uncertainty:

During the quarter, lockdown was declared across the country by the Central/State Governments (s) in response to COVID-19 pandemic from 23rd Mar 2020. Consequently, our manufacturing and sales operations at all the locations were impacted due to such lock-down during the period from 23rd March 2020 to 31st March 2020. The operations have since commenced in a phased manner since April/May 2020 conforming to the guidelines of regulatory authorities. While our sales and profitability for the quarter were adversely impacted due to lockdown, it is not possible to ascertain the impact thereof.

As per the current assessment of the company, no material impact is expected due to COVID-19 on the carrying values of assets and liabilities at the year ended 31st March 2020. The Company has taken into consideration external and internal information for developing various assumption for assessing the fair value of assets and liabilities, the impact whereof may differ from the estimates taken as on the date of approval of financials statements. Any changes due to the changes in situation and circumstances will be taken into consideration if necessary as and when it materializes.

## 37. Previous year figures have been recasted / restated wherever necessary.

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M.Anandam & Co.,  
Chartered Accountants  
Firm Registration Number: 000125S

On behalf of Board of Directors

M.R.Vikram  
Partner  
Membership Number: 021012

K.V.Vishnu Raju  
Chairman  
(DIN: 00480361)

R.Ravichandran  
Whole time Director  
(DIN: 00110930)

Place: Hyderabad  
Date: 30-07-2020

B. Rajasekhar  
Chief Financial Officer  
(PAN: AGTPB3676J)

R.K.Pooja  
Company Secretary  
(M No: A41361)

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