MRS. BECTOR'S CREMICA

MBFSL/CS/2022-23 **September 6, 2022**

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

Respected Sir/Madam,

Subject: Annual Report for the Financial Year 2021-22

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2021-22 to be approved and adopted in the 27th (Twenty-Seventh) Annual General Meeting (AGM) of the Company scheduled to be held on September 30, 2022 at 11:00 a.m. IST through Video Conferencing/ Other Audio Visual Means.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2021-22 is also being sent through electronic mode to all the members of the Company whose email addresses are registered with the Company/ Company's RTA or Depository Participant(s).

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

This is for your information and record.

Thanking You,

Yours faithfully

For Mrs. Bectors Food Specialities Limited

ATUL SUD

Digitally signed by ATUL SUD
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serialNumber=68953c4803ab717805c1a0c6fa6edd1b116d93a84ef9b58afa7039d8791173e4,
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Date: 2022.09.06 15:02:32 +05'30'

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

Mrs. Bector's

MRS. BECTOR'S CREMICA

ENGLISH OVEN

An Opportunity to Relish!

ANNUAL REPORT **2021-22**

Mrs. Bectors Food Specialities Limited

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Highlights

BSE: 543253
NSE: BECTORFOOD
STOCK MARKET TICKERS

₹2.50

DIVIDEND PER EQUITY SHARE:
₹ 1.25 INTERIM DIVIDEND;
₹ 1.25 FINAL DIVIDEND

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

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

An opportunity to Relish!

Mrs. Bectors Food Specialities Limited (MBFSL) is one of the leading companies in the premium and mid-premium biscuits segment and the premium bakery segment in North India. The Company manufactures and markets a wide range of biscuits, such as cookies, creams, crackers, digestives and glucose under flagship brand 'Mrs. Bector's Cremica'. It also manufactures and markets bakery products in the savoury and sweet categories, which include breads, buns, pizza bases and cakes under the 'English Oven' brand. All products are manufactured in-house at the Company's six manufacturing facilities and supplied to retail consumers in 26 states and 3 union territories within India , as well as to reputed institutional customers with pan-India presence, and to 63 countries across six continents. MBFSL is the largest supplier of buns to major QSR chains in India.

WELCOME!

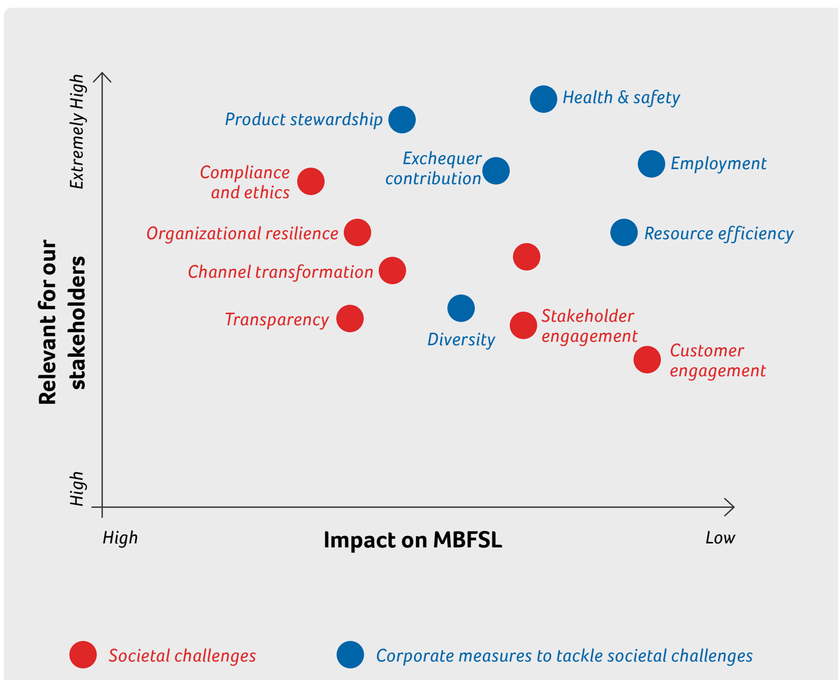
We are happy to present Mrs. Bectors Food Specialities Limited (MBFSL) Annual Report for the financial year 2021-22, in line with best reporting practices and with our commitment to transparency and completeness of information.

Over the next few pages, we will be expanding on the topics that are of importance to our business and to our stakeholders, including our corporate profile, our operational excellence focus, our distribution channels, the development of our human capital, responsibility to our value chain, and actions taken to secure our future. We will be presenting the challenges faced in yet another year marked by the COVID-19 pandemic, but also the advances we made in innovation in our products and business divisions. The report also presents our strategy for the coming years, our financial performance and initiatives designed for creating value for our stakeholders, including customers, suppliers, shareholders, employees and society. Furthermore, the UN Sustainable Development Goals (SDGs) are taken into consideration.

The information refers to the majority of our operations in India and export markets and the veracity of data has been ensured by our management under the supervision of the Board.

Determining our materiality matters

In order to present relevant content that is in line with the expectations of our stakeholders, we have reviewed our materiality in 2021-22 to be able to identify and provide transparency on matters that have the biggest impact and influence on our business and for our stakeholders. Our key material matters have been given below.



Supporting the SDGs

We demonstrate longstanding commitment as a responsible corporate and implement our sustainability agenda through an impact-driven approach. This commitment includes playing our part in driving positive outcomes for all stakeholders.

Online version
Please help us save the environment by reading this report online. Online version of this report can be downloaded from our corporate website: *www.bectorfoods.com*

Feedback
We welcome your feedback on our Annual Report. Please write to us at: *parveen.goel@bectorfoods.com*

Our stakeholders

- Customers
- Employees
- Shareholders
- Vendors
- Communities/ Society

Forward-looking statements
The report contains statements that relate to the Company's future operations and performance. These statements can be identified by the usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance. These forward-looking statements are contingent on assumptions, data or methods that may be inaccurate or imprecise and hence are not guarantees of future operating, financial and other results. They constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties, some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Conferred with **The Padma Shri** for contribution to Trade and Industry by the Government of India, in 2021

'Lifetime Achievement Award' and **'Pride of Punjab'** by Global Achievers Forum, in 2017

Our Brand Heritage

'Outstanding Woman Entrepreneur' by Small Industries Development Bank of India, in 2010

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

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Felicitated by SBI for **outstanding achievement as an entrepreneur** and serving as a role model for women, in 2017

'Woman of Excellence' from FICCI Ladies Organisation, Ludhiana, in 2014

Award for Excellence from FICCI Ladies Organisation, Ludhiana, in 2009

"I am delighted that the same spirit of effervescence, energy and enthusiasm with which I started the company continues till today and I'm convinced that our current and next-generation leaders will take the organisation to newer heights as they work for the next phase of growth.

Our biscuit products are well-accepted in India and around the world, our bakery products are making their mark in the domestic markets, our Company is undertaking strategic product expansion, and our distribution channels are being transformed, which makes me certain that we have a historic opportunity in our hands to relish!"

Rajni Bector
FOUNDER AND PADMA SHRI

OUR ESSENCE

We're building a business with strong fundamentals that will enable sustainable value creation over time.

We are Mrs. Bectors Food Specialities Limited, an Indian foods major with head office in Punjab, India. Our objective is to offer flavoursome, nutritious and top-quality biscuits, bread and bakery products to our customers that enable repeat consumption and make us their preferred brand of choice.

We have a vibrant and extensive supply chain that facilitates industrial production and distribution of products from our factories to points of sale, the operation of which is the responsibility of a dedicated team of employees.

The focus of our strategy is pivoted around the multiple factors of accelerating business growth in the post-COVID environment, including investing in production assets to prepare the Company for future growth opportunities, transforming our selling and distribution infrastructure to extend our presence to more regions and geographies, and bolstering our leadership and management cache to re-charge the organisation and take it to the next level of growth.

Our Brands

MRS. BECTOR'S CREMICA

ENGLISH OVEN

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PERFORMANCE METRICS

Key thrust drivers, supported by nascent macroeconomic recovery, enabled MBFSL to gain lost ground and report satisfactory performance for the year 2021-22.

₹ **988.17** crores
REVENUE FROM OPERATIONS

₹ **437.05** crores
GROSS PROFIT

44.23%
GROSS MARGIN

TOTAL REVENUE
(₹ IN CRORES)

988.17

FY 22	988.17
FY 21	880.73
FY 20	762.12

GROSS PROFIT
(₹ IN CRORES)

437.05

FY 22	437.05
FY 21	419.07
FY 20	354.67

OPERATING PROFIT
(₹ IN CRORES)

122.53

FY 22	122.53
FY 21	141.15
FY 20	92.85

NET PROFIT
(₹ IN CRORES)

57.14

FY 22	57.14
FY 21	72.28
FY 20	30.31

EMPLOYEE COST
(₹ IN CRORES)

137.77

FY 22	137.77
FY 21	126.86
FY 20	117.90

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MD'S LETTER TO SHAREHOLDERS

Dear shareholders,

I take pleasure to address you through the pages of this Annual Report for the fiscal year 2021-22. You have shown conviction in us and we will continue to take all necessary action to further strengthen your belief in us.

Macro overview

Before I provide my analysis of the Company's performance during the year, it is essential to describe the context in which this performance was achieved. So, due to the pandemic, uncertainty in the macroeconomic sphere, changes in consumer sentiment/demand, alteration in consumption patterns, high inflation, and weakness in international markets due to the Russia-Ukraine war continued to present challenges that we needed to grapple with which were beyond our control.

We did well as we once again proved the robustness of our strategy and the resilience of our business model to register a sound performance in 2021-22. Even amid the many challenges, we remained focused on making strategic investments and taking advantage of opportunities in austerity, agility and discipline. Over the course of the year, we remained guided by the objective of offering quality food products to our consumers and institutional customers in India and overseas. Further, we did not hold back on our strategic plans and carried out a number of initiatives to transform our critical functional areas and prepare the business for future growth.

Amid the continuing effects of the virus during the year, we maintained the protocols of health and safety and the leadership team continued working to monitor the global situation and provide support for assertive decision-making. With advances made during the year in terms of the number of those immunized against COVID-19, we were able to ensure that virtually 100% of our workforce was vaccinated with at least two doses. Our actions went beyond caring solely for our staff, with this also extending to society as a whole.

Performance analysis, 2021-22

During 2021-22, we witnessed unprecedented challenges in the business environment, but the Company has been successful in mitigating them and managed to post an annual consolidated revenue growth of 12.2% during the year to ₹ 988 crores. The salience of our brands really stood out and our focus on premiumization paired with robust operational standards helped to withstand any major demand/pricing pressures.

I'm happy with the progress we achieved in striking the right balance between scale and profitability. Dependence of any single category is never a good idea for any consumer company and we focused on adding new products in both our business segments- biscuits and bakery during the year. Given the nascent stage of the packaged food industry in India, we believe in focusing on high gross margin through premiumization and this strategy will stand us in good stead in the future.

A summary of our 2021-22 performance is given below:

- Consolidated revenue stood at ₹ 988 crores, vs. ₹ 881 crores in the previous year, registering a growth of 12%
- Revenue from the biscuits division expanded by 3% to ₹ 592 crores, vs. ₹ 574 crores in the previous year
- Revenues from the bakery segment increased by 31% to ₹ 339 crores, vs. ₹ 259 crores in the previous year
- EBITDA declined by 13% YoY and stood at ₹ 123 crores. EBITDA margins were at 12.4%, vs. 16% during the previous year
- Profit after tax stood at ₹ 57 crores, vs. ₹ 72 crores in FY2021

The chief factor enforcing reduction in net profit as compared to FY2021 was due to the entry tax provision reversal in the last year amounting to ₹ 5.5 crores. Also during the year, due to the pandemic, the Company witnessed some expenses which were lower than usual in the previous year. However, going forward, we see strong growth potential in both our biscuits and bakery divisions.

MBFSL is India's largest biscuits exporter with a 12% market share and a presence in 63 countries around the world. Exports under our own brands stand at a healthy 45% and our revamped export strategy will enable us to deepen the penetration of our products and gain both revenue and market share in the future. We incorporated a subsidiary in the UAE to unlock opportunities in the MENA and African markets, and all our decisions will be guided by expectation around portfolio premiumization and building our margin profile.

In India too, our biscuit brands under 'Mrs. Bector's Cremica' have been able to compete well on crowded shelves, with customers picking our products for premium quality, taste and nutrition. Our focus in the domestic market is to achieve scale by continuing to deepen brand presence beyond North India to cover all the major parts of the country, and we are working on transforming our distribution to be able to achieve this goal.

We are amongst the largest suppliers of buns to quick service restaurants (QSR) chains in India and our bakery brand, 'English Oven', is one of the fastest growing brands within the premium bakery space. Further, we have launched many innovative bakery products, such as sub-breads branded as 'English Oven Sub' and the commissioning of a sheeting line has opened up our capability to produce an even larger range of value-added products, including focaccia, panini and ciabatta breads. Going forward, we will continue to focus on expanding our product portfolio, scale and reach to be able to reach more households and institutional customers across India.

Getting ready for the future

MBFSL is at a unique point in its journey where we are looking at adding to our strengths and preparing the foundations for accelerated growth. Towards this extent, we are getting our drivers ready, including expanding our distribution reach in existing markets and entering new geographies, building management strength by hiring senior leaders and professionals in various critical areas such as operations, marketing, sales and IT, and enhancing capacities to capture growth opportunities in existing markets and new geographies.

"MBFSL is at a unique point in its journey where we are looking at adding to our strengths and preparing the foundations for accelerated growth."

We are focusing on technology to drive efficiency on both the sales and supply chain fronts. As a major step in this regard, we have initiated to implement salesforce automation and distributors' management system, which will help us to drive product availability across our channels, especially our premium outlets, to improve sales efficiency.

We have a large presence in North India and are looking to expand reach in our existing markets and steadily explore newer markets. We are in the process of expanding our Rajpura facility in Punjab and have plans to set up a greenfield facility in Madhya Pradesh to cater to the west and south India markets.

Furthermore, in terms of new capex, the Company started investment on another biscuit line from the IPO proceeds of ₹ 40.5 crores to finance the cost of the Rajpura expansion project, and the commercial production for this plant started in July 2022 (post balance sheet development). Besides, for bakery plant extension in Mumbai, the Company has already purchased land in Khopoli adjacent to our current factory. The total project cost is estimated at ₹ 73 crores, including land, out of which ₹ 25 crores would be invested in FY2023 and the balance in FY2024. Commercial production is planned to start by October 2023.

Conclusion

As we look to the future, I am excited by the opportunities that lie ahead for the Company. There is a strong pipeline of significant projects in both our business divisions and we have a strong opportunity to grow demand and consumption in the post-COVID environment.

Mrs. Bectors has a long and remarkable history spanning well over four decades and I am committed to furthering this impressive heritage by helping the Company add to its successes every year, constantly improving, evolving and building our new future.

Anoop Bector
MANAGING DIRECTOR

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OUR DIVISIONS

Biscuits

- Domestic sales under **Mrs. Bector's Cremica**
- Exports under **Mrs. Bector's Cremica, Adoro and private label**

Market Positions

Top-2
IN THE PREMIUM/ MID-PREMIUM BISCUITS CATEGORY IN PUNJAB, HIMACHAL, LADAKH AND J&K

4.5%
MARKET SHARE IN THE PREMIUM/MID-PREMIUM BISCUITS CATEGORY IN NORTH INDIA

~12%
MARKET SHARE OF TOTAL BISCUIT EXPORTS FROM INDIA (CY2019)

At a glance

BISCUIT DIVISION

59.92%
TOTAL REVENUE SHARE IN 2021-22

3%
REVENUE GROWTH IN 2021-22

At a glance

CONTRACT MANUFACTURING

5.77%
TOTAL REVENUE SHARE IN 2021-22

Breads

- Branded breads and bakery under **English Oven**
- Institutional bakery – Bakery, buns and premium frozen products

Market Positions

05%
MARKET SHARE OF THE BRANDED BREADS SEGMENT IN INDIA

11%
MARKET SHARE OF SEMI-PROCESSED AND DOUGH-BASED OFFERINGS IN INDIA

At a glance

BREADS DIVISION

34.31%
TOTAL REVENUE SHARE IN 2021-22

31%
REVENUE GROWTH IN 2021-22

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OUR BUSINESS MODEL

Our business divisions with their own unique strengths...

Biscuit division

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

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

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

Institutional strengths
- Modern production assets and processes with global certifications
- Wide product portfolio with a premium/ semi-premium tilt
- Expansive omni-channel distribution network in general trade, modern trade, e-commerce and CSD in India
- Exports to 63 countries with a distribution-led sales model
- Continuous focus on new product development
- Strong private label business

Future outlook
- Focus on portfolio premiumisation
- Enable pan-Indian distribution
- Continue to pivot export market presence

Breads division

Brand
English Oven

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

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

Institutional strengths
- Premium bakery products
- Leadership position in key metropolitan markets in the premium breads category
- Customer-centric distribution model
- Ability to manage fresh, chilled and frozen products for sustaining freshness/shelf-life
- Dedicated lines for buns production for QSRs and also for other innovative products
- Capabilities in processed/semi-processed dough-based offerings

Future outlook
- Enhance penetration in Tier-I and II markets
- Introduce new premium varieties, especially in the sweets and savories space

... Enable a positive impact on our stakeholders and our capitals

Our stakeholders

Investors/shareholders
ROCE: 13.62% | ₹ 2.50 total dividend for 2021-22

Suppliers
₹ 573.01 crores of total spending on resource procurement

Employees
₹ 137.77 crores expensed as employee costs

Consumers
Wide range of semi/premium non-glucose biscuits | Premium and innovative bakery products

Community
Impact-driven citizenship | Focus on community grassroots, such as education

Our capitals

Financial capital
Sustainable performance | Value creation

MANUFACTURED CAPITAL
Modern assets | Global certifications | Workforce management

HUMAN CAPITAL
Capability building | Upskilling | Pride of association

INTELLECTUAL CAPITAL
Strong distribution network| Topical marketing campaigns | Strong digital practice

SOCIAL & RELATIONSHIP CAPITAL
Multi-stakeholder approach | Local capacity development

Biscuit division

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

Breads division

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

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FINANCIAL CAPITAL

We channel the income and earnings generated by our operations back into the business, allowing us to deliver sustainable growth over the long-term. We also declare dividend based on our performance to create value for our shareholders.

Review

MBFSL's financial performance in 2021-22 is testament to how the Company adapted and responded to the continuing challenges of the COVID-19 pandemic. The Company focused on enhancing operational efficiencies, investing in new revenue-generating assets, embedding cost discipline and strengthening the balance sheet.

This focus continued amid the second and third waves of the virus that created resistance to the economic recovery taking shape after the first wave. However, we overcame these struggles by making efforts in delivering tasty, wholesome and enjoyable food experiences to our customers.

The potential of our business can be gauged from our Q4 FY2022 performance. Consolidated revenues for the quarter stood at ₹ 252 crore, vs. ₹ 224 crore in Q4 FY2021, registering a growth of 12.6% on a QoQ basis.

The Company's biscuits division reported revenue growth of 4.3% to ₹ 143 crore in Q4 FY2022, as compared to ₹ 137 crore in Q4 FY2021. This segment grew by 27.2% over Q4 FY2020, overcoming the pre-pandemic period. The domestic biscuit segment witnessed higher single-digit growth in Q4 FY2022, vs. the same period last year.

The bakery division's revenue stood at ₹ 95 crore, against ₹ 75 crore in Q4 FY2021, thus registering a growth of 26.8% in Q4 FY2022. Including retail bakery and institutional segments, bakery division expanded by 40.8%, vs. Q4 FY2020. Both retail and institutional bakery grew by high teens in Q4 FY2022, as compared to the same period last year. Profit after tax for the quarter stood at ₹ 10.2 crore, vs. ₹ 12.8 crore in 2020-21.

The Company continued to witness cost pressures in raw material prices, with the result that both gross and EBITDA margins witnessed a moderation of 50 bps and 300 bps, respectively, and stood at 44.9% and 10.1%, respectively, during the quarter.

Going forward, we will continue with our efforts to convert invested capital into incremental value, which remains at the heart of our transformation focus. Though the virus has been largely brought under control as of now, we expect to deliver improved performance in the current year, while remaining on-track with our business transformation strategy.

₹ 592 cr

TOTAL REVENUE FROM THE BISCUITS DIVISION

₹ 339 cr

TOTAL REVENUE FROM THE BAKERY DIVISION

Financial

Highlight

Despite the inflation and macroeconomic pressures, MBFSL delivered a consolidated topline growth of 12.2% in FY2021-22.

For more information on our financial update, pls refer to the section "Performance metrics" given in this report.

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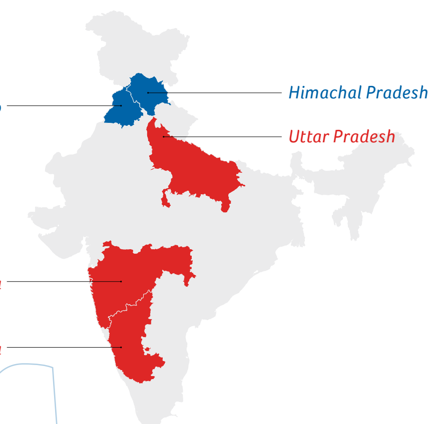
MANUFACTURED CAPITAL

We actively manage our production assets to implement efficiency initiatives while ensuring a standardised high level of quality at scale. We also adopt globally-certified processes to ensure food hygiene and safety across our operations to comfortably meet the demanding requirements of our customers.

Review

At MBFSL, our manufactured capital is characterised by a high degree of automation across key processes, which result in superior and consistent product quality, strong operational efficiencies, holistic quality control and full compliance with food and other regulatory/ certification standards. We operate modern equipment acquired from Denmark, Germany, USA and Italy that enable production of international standards. We manufacture all our products in-house.

Brief overview of our production assets located strategically across the country:



Biscuits

PUNJAB
IN PHILLAUR

27,000 MTPA BISCUITS	**27,000 MTPA** CONTRACT MANUFACTURING

PUNJAB
IN RAJPURA

13,600 MTPA BISCUITS	**2,600 MTPA** CONTRACT MANUFACTURING

HIMACHAL PRADESH
IN TAHLIWAL

34,200 MTPA
BISCUITS

Bakery

UTTAR PRADESH
IN GREATER NOIDA

81 MN BREADS AND BAKERY (PACKS PER ANNUM)	**258 MN** BUNS (PACKS PER ANNUM)

MAHARASHTRA
IN KHOPOLI

13 MN BREADS AND BAKERY (PACKS PER ANNUM)	**171 MN** BUNS (PACKS PER ANNUM)

KARNATAKA
IN BENGALURU

8 MN BREADS AND BAKERY (PACKS PER ANNUM)	**93 MN** BUNS (PACKS PER ANNUM)

Manufactured

Our certifications

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

Highlight

We worked towards the completion of operationalising our new biscuits line at Rajpura (Punjab), which commenced commercial production in July 2022 (post balance sheet development) with an installed capacity of 12,000 tons per annum.

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HUMAN CAPITAL

We nurture the knowledge, skills, attitude, innovation, operational and customer service capabilities of our employees to realise our vision and remain competitive in the long-term.

Review

Our HRD (Human Resources Department) is entrusted with the crucial task of developing a professional, engaged and skilled pool of talent that is the best in the industry. Our people strategy is to retain our most talented and skilled employees while contributing to accelerating our transformation by fostering their continuous development. An essential facet of this is continuous learning and development, which enables our employees to adapt to a fast-paced environment. We have a strong induction, training and development policy as well.

The year 2021-22 was about adopting initiatives critical for sustainable organisation building. It was an unprecedented period during which we strived to achieve a balance between employee safety and business continuity while engaging in strategic top-level recruitment.

Beyond the pandemic-related activities, the year also marked several initiatives during which our HRD focused on creating a bridge between the management and employees, while enhancing trust and communication. Thus, our strong and unified team spirit allowed us to build a collaborative workplace that enabled all employees to achieve their best performance.

As an equal opportunity employer, we promote a culture of diversity and meritocracy. We deliver performance-based rewards and recognition across our workforce, which is drawn from diverse backgrounds, educational qualifications and experience. Besides our special focus on diversifying our workforce, we also strive to sensitise our people on representation and inclusion.

Human

Highlight

We engaged in a major recruitment drive during the year, and strong employer branding and the offer of a challenging and yet fulfilling work environment with key responsibility enabled us to recruit a number of skilled individuals to fill critical roles in the organisation, including those of CEO, CMO, etc. We will continue to optimise the organisation and build baseline and future capabilities.

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INTELLECTUAL CAPITAL

We sustain and grow the business through our expertise in the foods - biscuits and bakery businesses. Further, our digital expertise and robust IT infrastructure are also a part of our intellectual capital that directly contribute to the growth of the organisation.

Review

As a consumer brand, our distribution network, as part of our intellectual capital, is critical to ensure that we cover the last mile – our customers and consumers. Over the years, we have built a resilient, agile and flexible distribution network that enables a pan-India footprint with a specially strong presence in North India, while also delivering even in the remote corners of our target markets. We have also developed a robust global supply chain that allows reach to 63 countries around the world. A key facet of our i-cap includes our sales automation software that enables us to track real-time coverage, sales efficiencies and effectiveness and ensure working discipline across our distribution network. It has also helped increase productivity of our sales function by providing access to critical information of sales and products and strategic information about sales trends on a real-time basis.

Our multi-channel distribution network comprises:

General trade
- 550k+ retail outlets across India
- 5,000+ Cremica Preferred Outlets (CPOs)

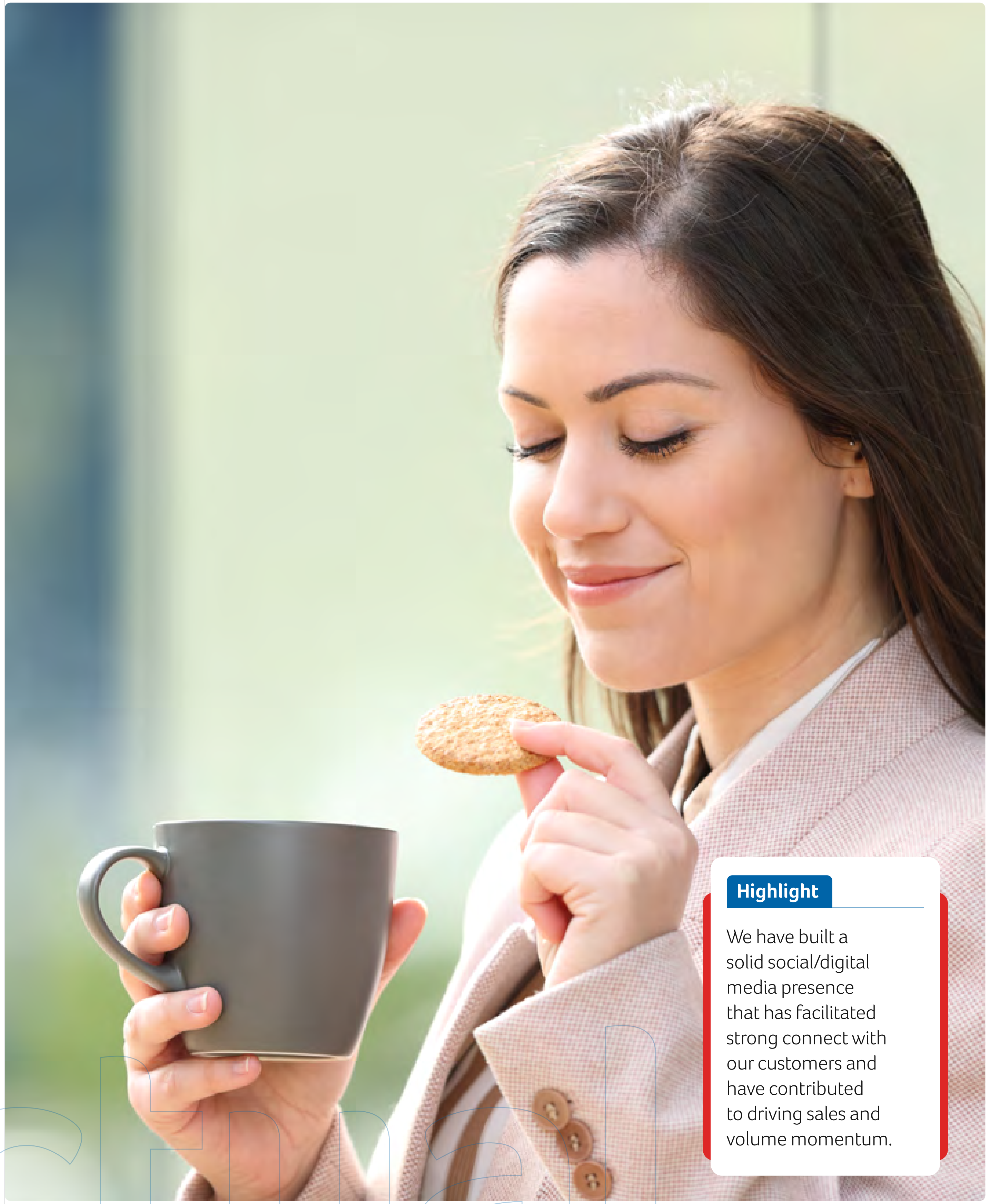
Modern trade
- Presence in all national chains
- Calibrating pack sizes as per demand

E-commerce
- Presence across numerous e-commerce platforms in India

Canteen stores department (CSD)
- Amongst the largest suppliers of biscuits to CSD, supplying in 34 locations across India

Our distribution infrastructure in biscuits:
- 15 depots
- 250+ super stockists
- 5,000+ CPOs
- 900+ distributors
- 550,000+ retail outlets
- 200,000+ direct consumer reach
- Supply to large international retail/ institutional chains, distributors and buying houses in 63 countries

Our distribution infrastructure in bakery:
- 210+ distributors
- 18,000+ retail outlets
- Direct sales to pan-India QSRs, multiplex chains and cloud kitchens



Highlight

We have built a solid social/digital media presence that has facilitated strong connect with our customers and have contributed to driving sales and volume momentum.

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SOCIAL AND RELATIONSHIP CAPITAL

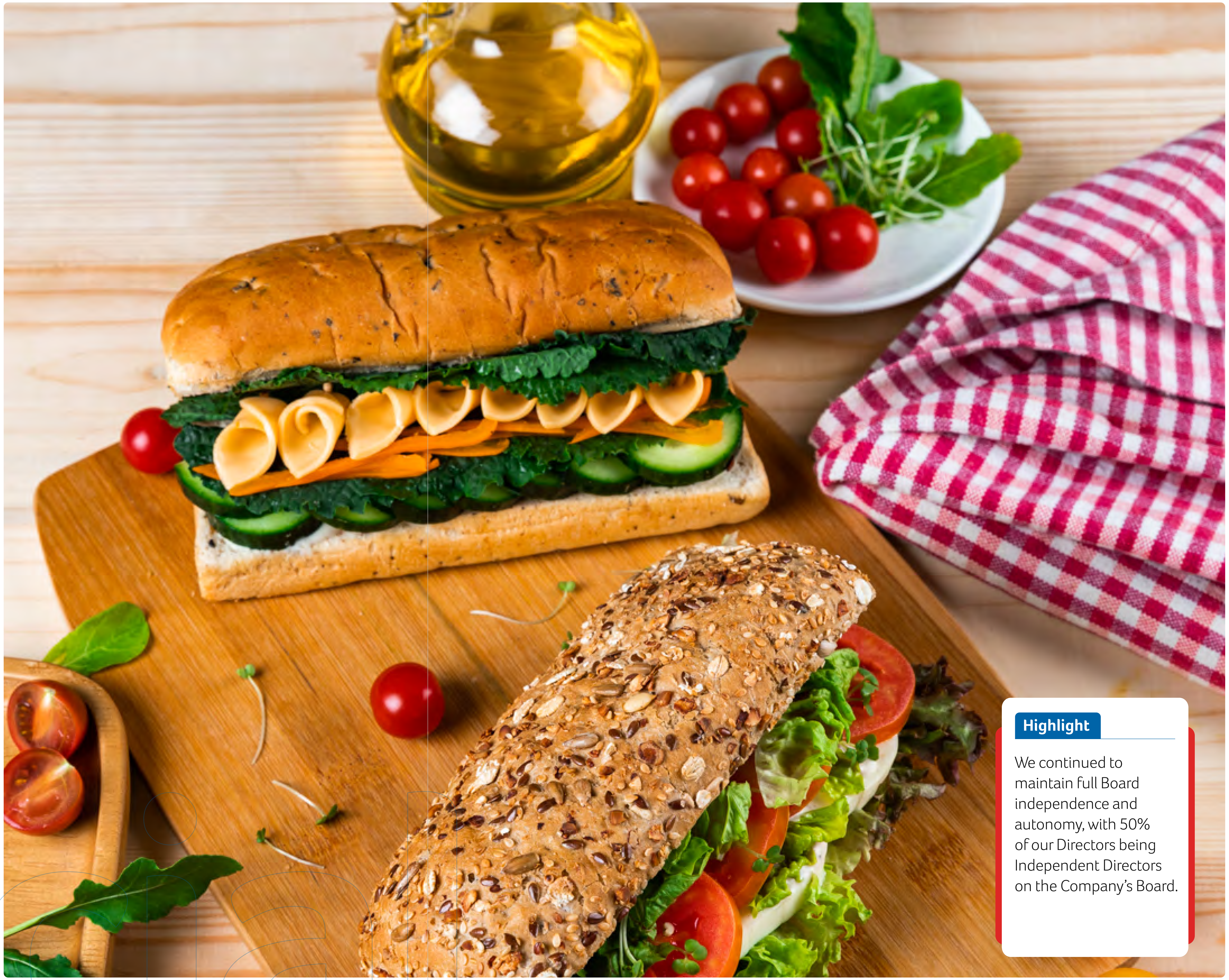
We build cohesive and constructive stakeholder relationships to make our day-to-day operations more effective, thus growing together with all stakeholders. We uphold ethical conduct and view our business from the approach of compliance and responsible alignment to laws and regulations.

Review

As one of the largest foods companies in the pureplay biscuits and bakery segments, we maintain a structure of decision-making that seeks to fuse the experience and professionalism of our senior leaders with management policies that are guided by our essential commitments.

MBFSL is a company listed on the Indian stock exchange. In its accounting practices and financial statements it meets international accounting standards (IFRS) and the stipulations of Indian financial and regulatory requirements and as such, we adhere to best practices based on the pillars of ethics, transparency and openness. The year 2021-22 was notable for market, macroeconomic and hygiene challenges that reinforced the importance of our corporate governance structure.

Social



Highlight

We continued to maintain full Board independence and autonomy, with 50% of our Directors being Independent Directors on the Company's Board.

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LEADING WITH EXPERIENCE

Our Board of Directors hold the necessary skills and experience relevant to the sectors in which the Company operates, enabling the Board to effectively set the strategic direction and purpose of the Company and measure outcomes and results.

Mr. Subhash Agarwal
CHAIRMAN AND INDEPENDENT DIRECTOR

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

Mr. Subhash Agarwal holds a bachelor's degree in commerce from Shri Ram College of Commerce, Delhi University, bachelor's degree in law from Punjab University, Chandigarh, and post-graduate certificate in business administration from Scottish College of Commerce. He is a practicing advocate with experience of 61 years. He has been a member of the District Taxation Bar Association, Ludhiana, since 1995. He was felicitated with a Life Time Achievement Award and an Award of Appreciation by the District Taxation Bar Association (Direct Taxes), Ludhiana.

Speciality:

- Finance and taxation
- Business stewardship
- Human resources management

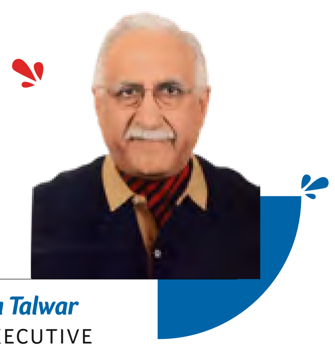
Mr. Anoop Bector
MANAGING DIRECTOR

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

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

Speciality:

- Business experience of over 26 years
- Specialist knowledge of supply chain and trade marketing
- Regulatory and stakeholder liaison
- Strong leadership skills



Mr. Manu Talwar
CHIEF EXECUTIVE OFFICER

- Appointed as Chief Executive Officer w.e.f. May 02, 2022

Mr. Manu Talwar has over 30 years of proven business leadership experience in profitable business expansion, operations and general management, primarily in the consumer facing industry. He is a Chartered Accountant who became a CFO, gaining experience in business both at Voltas and Pepsi. The role of establishing business processes during early days at Coca-Cola India as they acquired bottlers gave him an opportunity to take up the business head role in Coca-Cola. He has also led businesses in Coca-Cola, Airtel and Viom during their high growth phase. He also had the opportunity of managing tough times at Coca-Cola (pesticide scare, 2003), Viom (telecom license cancellation, 2012) and successfully managed business turnaround and transformation.

Mr. Talwar has also led a family-run business at Luxor as CEO with impressive growth in market and financial indicators while transitioning the company from family managed to a professionally driven enterprise. He also has the experience of working with Lenskart as a part of the start-up's growth journey.

Speciality:

- Business leadership experience of over 30 years
- Business strategy and growth
- Commercial and finance
- Human resource management
- Relationship / stakeholder management

Mr. Ishaan Bector
WHOLE-TIME DIRECTOR

- Board member since February 15, 2016

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

Speciality:

- New-age leadership experience
- Strong knowledge of supply chain
- Customer liaison

Mr. Suvir Bector
WHOLE-TIME DIRECTOR

- Board member since April 1, 2021

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

Speciality:

- New-age leadership
- Specialist knowledge in marketing and supply chain
- Customer liaison

Mr. Parveen Kumar Goel
WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER

- Board member since May 1, 2008

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

Speciality:

- Finance and taxation
- Stakeholder liaison

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LEADING WITH EXPERIENCE

Mr. Rajiv Dewan
INDEPENDENT DIRECTOR

- Board member since July 10, 2018

Mr. Rajiv Dewan is a fellow member of the Institute of Chartered Accountants of India and is a practicing Chartered Accountant. He has 37 years of experience in taxation and business restructuring consultancy. He is currently a partner in R. Dewan & Co., Chartered Accountants, Ludhiana. In the past, he has served as a director in various companies, including JSW Vallabh Tinplate Private Limited, Punjab Communications Limited, Trident Aerospace Limited, Trinetra Technologies Limited, Trident Powercom Limited, Trident Brokers Limited, Trident Research Limited and Trident Brands Limited.

Speciality:
- Finance and taxation
- Strategic business stewardship

Mrs. Pooja Luthra
INDEPENDENT DIRECTOR

- Board member since September 19, 2020

Mrs. Pooja Luthra holds a bachelor's degree in commerce from Jesus & Mary College, Delhi University, master's degree in arts - industrial/organisational psychology from Chicago School of Professional Psychology, and a post-graduate diploma in business administration – global business operations from Shri Ram College of Commerce, Delhi University. She has over 18 years of experience as a consulting specialist. She is also associated with Trident Limited as a director on their board.

Speciality:
- Business transformation
- Human resource development

Mr. Alok Kumar Misra
INDEPENDENT DIRECTOR

- Board member since February 11, 2022

Mr. Alok Kumar Misra holds a masters in statistics, post-graduate diploma in personnel management from FMS, Delhi University and CAIIB. He is also a fellow member of Certified Institute of Bankers of Scotland, Zambian Institute of Bankers, and an associate member of Australasian Institute of Banking & Finance. He started his career as a probationary officer in Bank of India and went on to have an illustrious professional innings spanning over 38 years in the banking industry, during which he headed various banking operations, including as in-charge of Bank of India's international operations as its General Manager (International), as a Managing Director of Indo-Zambia Bank Ltd and as Executive Director of Canara Bank. Throughout his career, he has been known as a dynamic leader and a true team-person.

Speciality:
- Finance, banking and accounting
- Management and administrative matters

Management Discussion and Analysis

GLOBAL ECONOMY

According to the International Monetary Fund's (IMF's) World Economic Outlook (WEO) April 2022, global growth is projected to decelerate from around 6.1% in 2021 to 3.6% in 2022. This is 0.8 percentage points lower for 2022 than in the January 2022 WEO Update, indicating signs of build-up of global economic stress.

The report has estimated that with a few exceptions, global employment and output will typically remain below pre-pandemic trends over the medium term. Scarring effects are expected to be much larger in emerging market and developing economies (EMDEs) than in advanced economies, reflecting more limited policy support and generally slower vaccination, with output expected to remain below the pre-pandemic trend. The report has disclosed that unusually high uncertainty surrounds its forecast, and downside risks to the global outlook dominate, including from a possible worsening of the Russia-Ukraine war, escalation of sanctions on Russia, sharper-than-anticipated deceleration in China with its strict zero-COVID policy, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has enforced the probability of wider social and geopolitical tension because of higher food and energy prices, which would further weigh on the outlook.

Interest rates are expected to rise further as central banks tighten policy, exerting pressure on EMDEs. Moreover, several countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation, as a number of countries have severed commercial ties with Russia, thus derailing post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and participation.

The report has projected that inflation will remain elevated for longer, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7% in advanced economies and 8.7% in EMDEs, 1.8 and 2.8 percentage points higher than projected in January 2022 WEO. Although a gradual resolution of supply-demand imbalances and a modest pickup in labour supply are expected, uncertainty surrounds the forecast.

Conditions could deteriorate. Worsening supply-demand imbalances—including those stemming from the war—and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations and stronger wage growth. With signs emerging that inflation will be high over the medium term, central banks have been forced to react fast, raising interest rates and exposing debt vulnerabilities, particularly in emerging markets.

Overview of the World Economic Outlook Projections (per cent change, unless noted otherwise)

	2021	2022	2023
World Output	6.1	3.6	3.6
Advanced economies	5.2	3.3	2.4
- United States	5.7	3.7	2.3
- Euro Area	5.3	2.8	2.3
- Japan	1.6	2.4	2.3
- United Kingdom	7.4	3.7	1.2
- Canada	4.6	3.9	2.8
- Other Advanced Economies	5.0	3.1	3.0
Emerging Market and Developing Economies	6.8	3.8	4.4
- Emerging and Developing Asia	7.3	5.4	5.6
• China	8.1	4.4	5.1
• India	8.9	8.2	6.9
• ASEAN-5	3.4	5.3	5.9
Middle East and Central Asia	5.7	4.6	3.7
Sub-Saharan Africa	4.5	3.8	4.0

Source: IMF estimates

INDIAN ECONOMY

India is a bright spot in the global landscape with regard to economic growth. The Economic Survey of India (released on January 31, 2022), the World Bank, ADB and IMF have a consensus of the Indian economy remaining the fastest growing major economy in the world during the mid-term forecast period of 2021-24.

As per the CSO, India recorded a GDP growth of 8.7% in 2021-22. This growth takes the economy above its pre-pandemic level and represents a sharp improvement after GDP contracted 6.6% in 2020-21. This growth was achieved on account of progressive unlocking of the economy after the second COVID-19 wave in May-June 2021, release of pent-up demand, and strong vaccination drive backed by indigenous vaccine production.

By May 2021, which was the peak of the second wave, the country had successfully vaccinated 889 million people, accounting for over 64% of the population. This, along with a milder third wave that began in December 2021 but enforced much lower hospitalisations and deaths than the second wave, resulted in improvement in market sentiment and higher economic activity. The growth also came from a long festive season following a strong economic stimulus package under 'Aatmanirbhar Bharat 3.0' announced by the Government back in November 2020 that sought to indirectly provide ₹6.3 lac crore to shore up the economy.

India's GDP growth journey (% YoY)

FY19	6.5
FY20	3.7
FY21	(6.6)
FY22	8.7

Source: MOSPI

With strong fundamentals and large domestic demand, the outlook for the Indian economy remains bright. The government's rapid vaccination drive, investment in infrastructure and focus on improving ease of business are likely to provide the necessary impetus to trade and business. As per IMF forecasts as on June 2022, the Indian economy is estimated to grow 8.2% in 2022-23, which though lower than the earlier estimate of 9% due to implications of the Russia-Ukraine war and higher inflation, is still amongst the fastest growth rates in the world.

GOVERNMENT INITIATIVES

The government has taken many initiatives with a view to boost GDP growth and create a society that benefits all. Among the major initiatives in this regard is the self-reliant India initiative under Atmanirbhar Bharat Abhiyan mission that seeks to promote Indian goods in the global supply chain markets and help the country achieve self-reliance. The mission was announced amid the pandemic when the government allocated funds worth ₹20 lakh crore, which amounts to about 10% of India's GDP, as a stimulus package to help recover the economy by promoting incentives for domestic production. It encompasses themes such as 'Local for Global: Make in India for the World' and 'Vocal for Local', among others. The key objectives of Atmanirbhar Bharat Abhiyan mission are to develop India into a global supply chain hub, build the government's trust in the private sector capabilities and prospects, establish good force multipliers for Indian manufacturers, etc. Some of the other major government schemes that aim to facilitate trade and business directly or indirectly include, Skill India, Pradhan Mantri Awas Yojana, Digital India, etc.

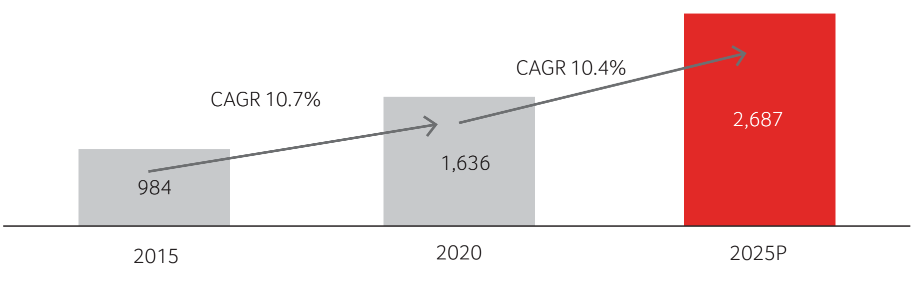
For the foods sector, the government has approved the central sector scheme under "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" to support the development of global food manufacturing champions commensurate with India's natural resource endowment, and support Indian brands of food products in the international markets with an outlay of ₹10,900 cr.

At MBFSL, these government initiatives will give an impetus to our business, especially our biscuit exports segment. We also feel that cultivating a business-friendly environment through positive policies will also represent a big boost to our business, going forward.

INDIAN PACKAGED FOODS INDUSTRY

The Indian packaged foods industry benefits from a number of factors, including large consumer base, strong demographics with a consumption propensity, disposable income to support this consumption and general stability or increase in wages. One of the other major trend is the shift in consumption from unbranded to the branded packaged foods segment, which has been particularly accelerated by the pandemic with growing expectations around safety and hygiene. This has particularly boosted demand for premium and semi-premium packaged products, such as biscuits, breads and other food items. Thus, the packaged foods market that had a size of ₹1,636 billion in 2020 is expected to grow at 10%+ CAGR over the next five years.

Indian packaged foods market (₹ billion):



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

Yet, challenges abound, including the current environment where persistently high inflation is stoking commodity prices, thus creating a fresh set of challenges for market participants in terms of ensuring greater internal cost efficiencies to protect margins on the one hand and take calibrated price increases to keep demand intact on the other. Furthermore, the second and third waves of the coronavirus and the Russia invasion of the Ukraine disrupted global supply chains that created supply-side issues, which also stoked inflation. Hence, rise in cost of raw materials, working capital availability challenges, maintaining cost/profit margins, a low demand environment as consumers turn cautious, workforce retention, higher cost of capital and cost of compliances have been the challenges faced by the all businesses.

Furthermore, due to the Russia-Ukraine conflict, edible oils, corn and wheat prices are on rise because of a sharp decline in supply.

This crisis has led to increase in cost of raw materials used as inputs by the food industry. Ukraine and Russia are the major suppliers of agri produce. Yet, on account of the staples and everyday consumption nature of the products, the packaged food sector is expected to rise to a size of ₹696 billion by 2025, recording a 10.4% CAGR over the 2020-25 period.

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

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

Source: Secondary Research, Technopak Report
*Packaged Food market size is exclusive of staples, edible oil and dairy
**Does not include fresh artisanal cakes

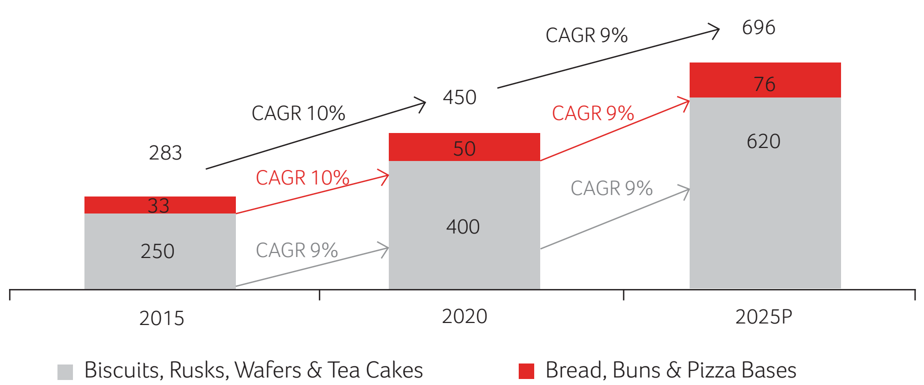
At MBFSL, the Company has had to face many challenges in the unpredictable environment, and yet in spite of this it has managed well to maintain its financial profile through various levers, such as augmenting production efficiency, enhancing scale of operations, securing price cost margin and focusing on process, product and packaging innovation and R&D.

INDIAN BISCUITS AND BAKERY SECTOR

Biscuits and bakery are consumer staples and everyday consumption household products that form an integral part of the consumer's grocery basket. Over the years with changing consumer profile, the Indian biscuits and bakery segment has also evolved to now comprise a large part of branded, premium and semi-premium products based on consumer desire for newer tastes and consumption experiences. Thus, this segment of the packaged foods market is expected to grow at a 9% CAGR over the 2020-25 period, scaling from ₹450 billion in 2020 to an estimated ₹696 billion by 2025.

Despite this growth, India lags significantly in per capita biscuit consumption at a mere 2.5 kg, vis-à-vis 4.25 kg in South East Asian countries like Singapore, Hong Kong, Thailand and Indonesia, and more than 10 kg in the US and Western Europe. This gap represents a bright spot for market players and comprises multi-decade opportunity to grow and expand the organised market for biscuits and bakery products.

Indian biscuits and bakery market (₹ billion):



Source: Technopak Report
**Excludes artisanal cakes.*

Likewise, domestic per capita consumption of bread is also meagre as compared to other countries at 1.4 kg, vs. 46 kg in the US and 96 kg in the UK. The market is highly fragmented and hyperlocal with an estimated 75,000 bread manufacturers operating as cottage industry. Though consumer purchasing habits are relatively fixed, there exists strong opportunity to shift consumption from loose to packaged bread products and grow demand for packaged branded breads as well as value-added loaves, especially among urban consumers.

The pandemic has created a structural shift in consumption habits that suit well for branded players. In addition to expanding demand for packaged products, it has also fostered propensity among consumers to experiment and try out newer items. Furthermore, despite inflation, demand for premium and semi-premium products is relatively secure as it has not witnessed a drastic fall in consumption. This is buttressed by players focusing on affordability and strengthening supply chain to ensure accessibility.

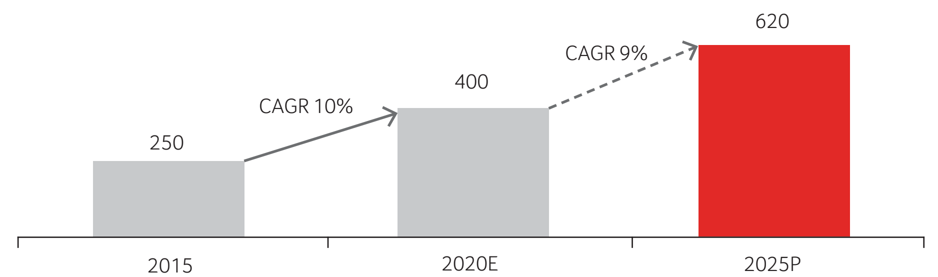
Modern trade has been a major growth vector of packaged food products as consumers become habituated to shop in supermarket chains that offer both value and convenience. Modern retail is also being driven by hyperlocal e-commerce and new business models being invented around it, such as 10-minute delivery assurance, etc. This has spawned whole new demand in terms of impulse purchases, as consumers have the option of getting products almost instantly at their premises. In addition, packaging innovation has also contributed to product offtake.

Lastly, with western quick service restaurants (QSRs) and cafes becoming a part of Indian society, in addition to artisanal bakeries opening all around the country with more young people finding it as a career option, bakery products such as buns, muffins, rolls, etc., have come on the consumer radar. Particularly, demand rebound post-lockdown has given impetus to on-premise QSR consumption and this has translated well for demand of bakery products, such as buns, etc. This is expected to continue in the future too, with even off-premise QSR consumption being here to stay.

Indian biscuits sector

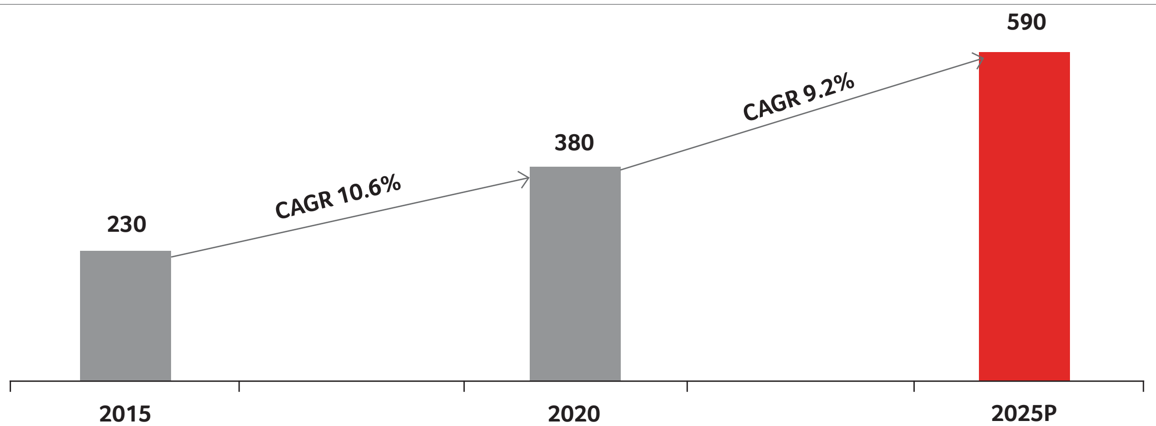
India's biscuit segment is about 5% of the global market and by 2025 it is likely to grow to 6%. The market is estimated to expand at a 9% CAGR every year till 2025 to a size of ₹620 billion. Share of premium and semi-premium products is also expected to rise with growing purchasing power, availability in modern trade and consumer habits to try out new products.

Indian biscuit market size (₹ billion):

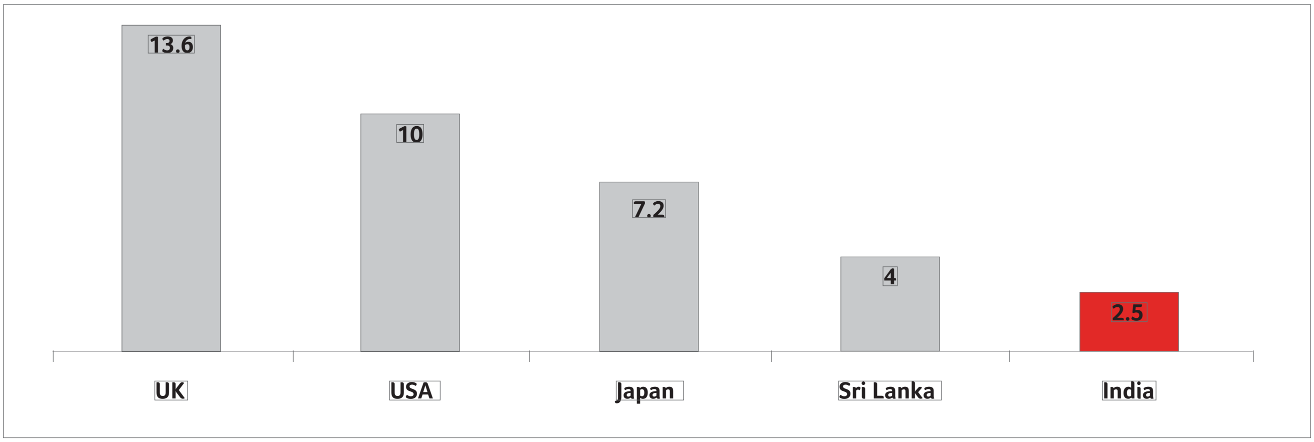


With biscuits being key consumer staples, domestic per capita consumption has scaled by 16% to 2.5 kg. However this is still low as compared with other major markets.

Size of branded biscuit market (₹ billion):



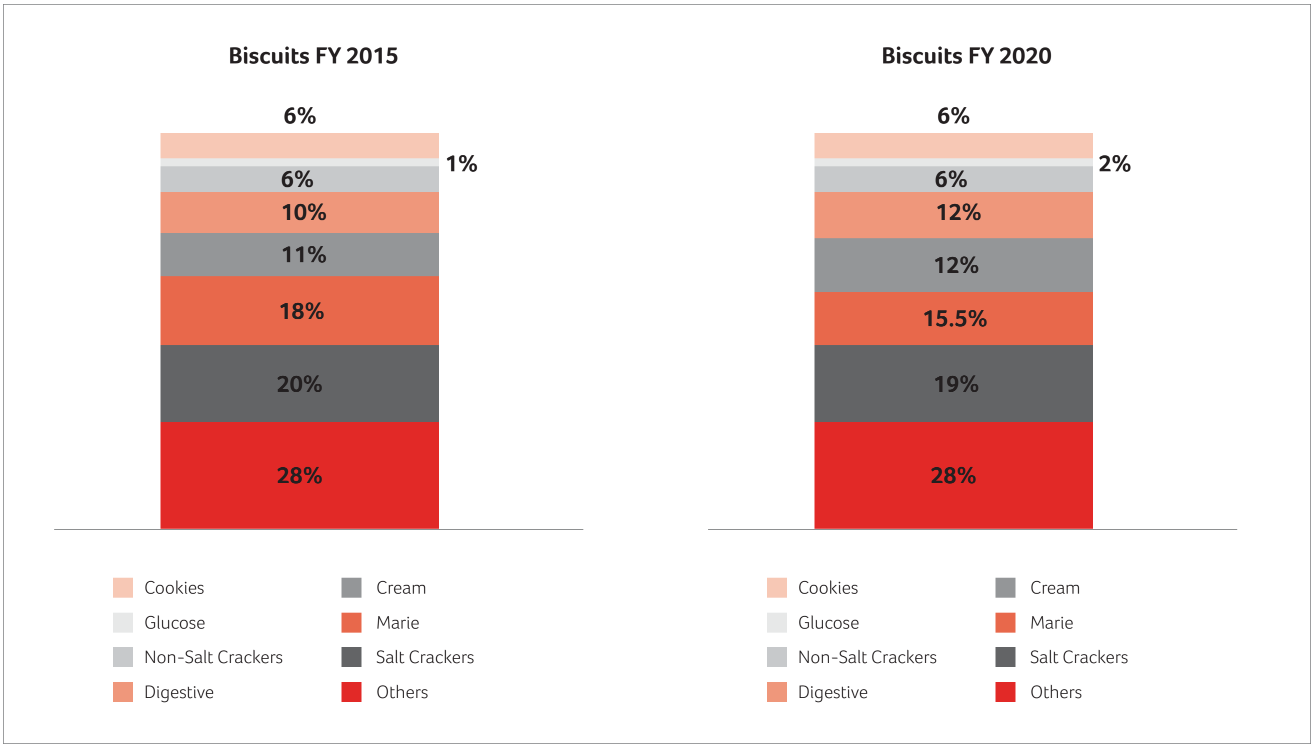
Per capita consumption (kg/year):



The Indian biscuit sector is segregated into product type (glucose and non-glucose) and price (mass, mid-premium and premium).

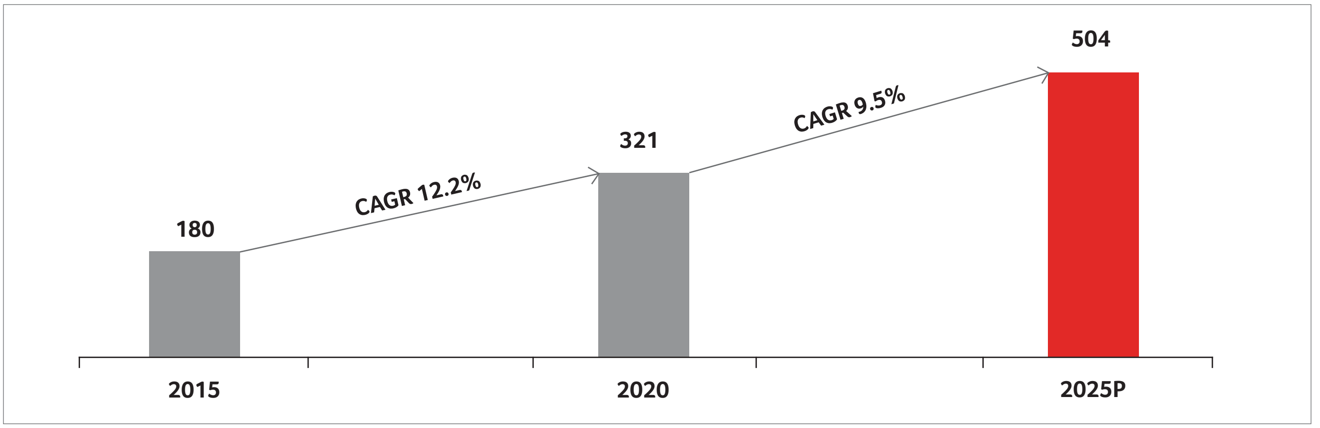
Segment type	Product type	Price
Mass	Glucose	> ₹ 100 per kg
Mid-premium	Marie and crackers	₹ 100 per kg
Premium	Cookies, digestives and cream	< ₹ 100 per kg

Share of branded biscuit categories FY15 vs FY20 by value:



Share of glucose biscuits has declined over the FY2015-20 period particularly with the rise of share of premium and mid-premium biscuits and this is expected to continue with change in consumer profile altering consumption habits. Within the overall branded biscuits market, the mid-premium and premium biscuits category is expected to grow at a 9.5% CAGR, faster than the overall branded biscuits market growth of 9.2%, to reach a substantial size of ₹504 billion by FY25.

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



Composition of the premium biscuits category is given below:

Biscuit type	Market size (estimated, FY20)
Cookies	₹10,600 cr
Cream	₹7,200 cr
Non-salty cracker	₹4,400 cr
Salty cracker	₹2,200 cr
Digestive	₹650 cr

The Indian biscuits segment is fragmented with localised preferences. So in addition to pan-India players there are also a large number of regional market participants that has thus added to the competitive intensity. While there is a market for all categories, those players that have a presence in most categories have the highest shelf visibility and hence offtake. Innovation and even packaging sustainability with a backstory have been a key driver of growth, as players jostle for consumer attention on crowded shelves. Furthermore, making premium and semi-premium products affordable through lower pack sizes/grammages have made entry points more accessible to a larger number of consumers and this has helped expand consumption for these products, especially in the rural markets. In urban centres, consumption of premium and semi-premium products is quite established.

While outsourcing is a feature of the industry that helps players acquire scale with no capex, the downside risk comprises challenges around product quality and also IP (intellectual property). Thus, players with large integrated capacities have a direct advantage as they benefit from scale, cost and quality, with protected IP. Though integrated assets and processes, these players also benefit from cost-competitive and more rapid in-house product development.

Biscuits are fast-moving consumer goods (FMCG) and hence replenishment is key to support quick offtake. Today, most companies have built sophisticated digitally-driven supply chains that have helped avert stock-out situations, while also enabling the secure and cost-effective distribution of products. Channel-wise sales diversification has also been a key feature of late as consumers today have many channels to buy products, including small kirana, modern trade, e-commerce, direct reach as well as CSD (canteen stores department for defence personnel).

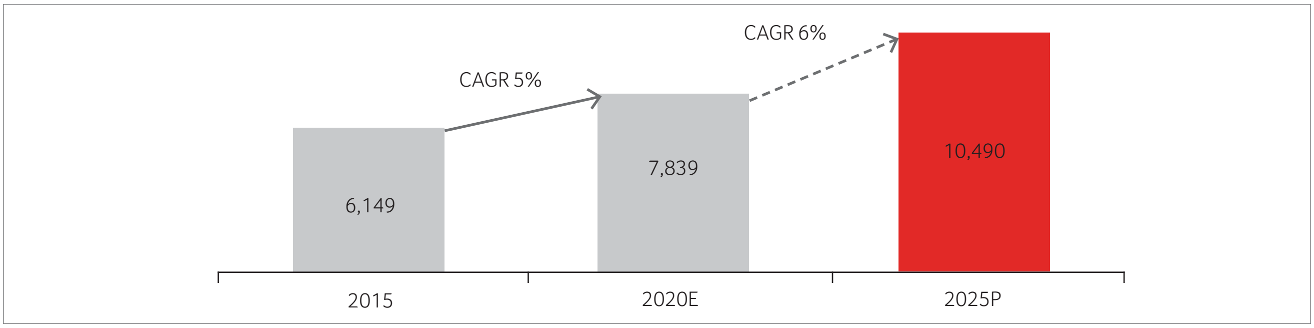
Within the sales channels, modern retail with its "supermarket/hypermarket" scale and value proposition has enabled branded biscuit players to rapidly enhance their geographic footprint, thus shrinking time-to-market on a pan-India basis. Further, this channel has also enabled companies to glean consumer insights and alter products according to regional preferences. Modern trade is witnessing a shakeout as large and deep-pocketed players enter into the market with the promise of setting up multiple localised stores across various cities and towns in India while also connecting small offline players digitally, thereby creating an offline-online modern retail ecosystem.

Moreover, direct reach is also a channel where companies can directly engage with consumers. With such factors, the share of modern trade in branded biscuits has steadily climbed to around 17% of the total share of the market, with general trade holding the rest of the share.

Global biscuit industry

The international biscuit market that is characterised by preference, taste, convenience, innovation, affordability and health considerations is projected to grow at a 6% CAGR over the 2020-25 from ₹7,839 billion in 2020 to ₹10,490 billion in 2025.

Global biscuit market size (₹ billion):



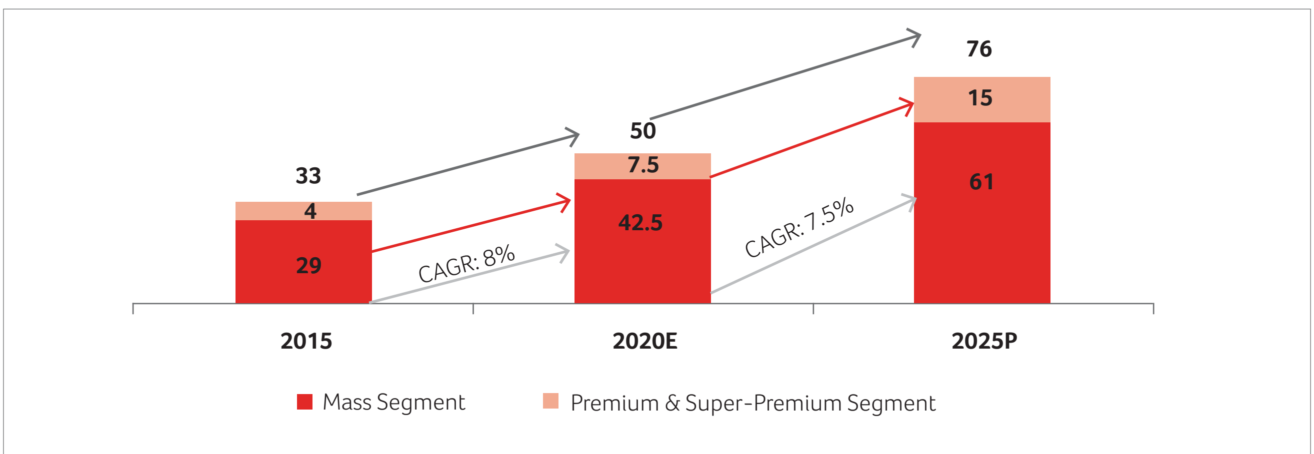
Biscuit offtake has been strong in developing markets of Asia and Africa, due to their emerging market profile, which has created key export opportunities for Indian players. Between 2017-19, biscuit exports from India have grown at a 11.7% volume CAGR to about 6.42 mn tons, which reflects rising consumer acceptance to products made in India, while also reflecting acceptable cost and quality factors.

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

Indian breads and buns market

The bread and buns retail market in India is projected at ₹76 billion by FY25, registering a 9% CAGR from ₹50 billion in FY20. As with biscuits, breads segment is also expanding due to lifestyle changes, transforming consumption habits and new tastes especially for artisanal products. Furthermore, the pandemic has also spawned a new breed of young and experimentative bakers who have expanded the market for artisanal loaves, etc.

Bread and buns retail market size (₹ billion):



Source: Technopak Report, Secondary research

Per capita bread consumption has risen by about 40% to 1.4 kg from 2015 to 2020, yet it is miniscule as compared to other developed countries, indicating sizeable opportunity for growth as bread consumption picks up. While per capita bread consumption is 20 kg in Singapore, it is 46 kg in the US, 65 kg in Germany and close to 100 kg in the UK.

The broad market segmentation of bread is as follows:

- Mass bread segment comprising white breads made of wheat flour
- Premium breads, including wheat breads, milk and fruit breads, pizza bases, buns and value-added loaves in the indulgence category
- Super-premium breads consisting speciality artisanal products like pita bread, sourdough bread

With branding giving pricing power to manufacturers, the breads industry is dominated by branded companies with around 55% market share. The unbranded segment constitutes those in the cottage industry processing local products. The pandemic has severely affected such companies, which has transferred consumption share to the branded and organised players due to assured hygiene and product quality.

In terms of zonal consumption, the North leads the pack with an estimated 32% share, followed by the West, South and East at 27%, 23% and 18%, respectively.

Major growth triggers

- Consumer staples driving daily and multi-pack consumption
- Market share transformation from the cottage to the formal industry
- Consumer willingness to experiment with tastes
- Health considerations driving demand for wheat-based products, etc.
- Consumer internet businesses with hyperlocal and fast delivery models

BUSINESS OVERVIEW

Mrs. Bectors Food Specialities (MBFSL) is a leading Company in the premium and mid-premium biscuits industry while also being the largest biscuits exporter from India. It manufactures and markets a wide range of biscuits under its flagship brand ‘Mrs. Bector’s Cremica’. The Company has a strong presence in North India, which it intends to leverage to expand its footprint to the other regions of the country. It has launched new products, such as Trufills, Premium Sugar and Classic Crackers, Pista Almond Cookies, Non-Stop Potato Crackers, etc. The brand is among the top-2 in the premium and mid-premium biscuits segment in Punjab, Himachal Pradesh, Ladakh and Jammu & Kashmir.

Furthermore, the Company’s bakery brand, ‘English Oven’, is the fastest growing premium bakery brand in India. The Company is the largest premium selling brand in Delhi NCR, Mumbai and Bengaluru. It has 283+ distributors and 23,000+ retail outlets. Notably, the Company is one of the few bakery companies in India that can handle fresh, chilled and frozen products, which enables the Company to maintain quality and shelf life, thus enabling pan-India distribution. The Company is also a leading player in the institutional bakery/QSR segment.

With key drivers and a long runway for growth, MBFSL is well-positioned to gain from the large opportunity in the biscuits and high-margin bread and institutional buns businesses. Furthermore, with a strong presence in the North, the Company is also well-placed to scale up its operations and expand its footprint to other parts of the country and, ride on fast-growing foods services and premium biscuits industry.

MBFSL was listed on the Indian stock exchanges in December 2020 and our focus remains consistent with our vision of shareholder value creation. With the major COVID shock now on the wane and yet with new challenges emerging on the horizon, including runaway inflation, destabilised supply chains and prospects of recession/stagflation in many countries, we will continue to focus on our internal strengths and revamped strategies to remain resilient and agile and adapt to the situation in our fixed focus on value creation. We have prioritised the following agenda over the long-term.

- Product innovation
- Operational excellence
- Capacity expansion
- Talent transformation
- Ethics and compliance
- ESG roadmap

Successful implementation of our strategic imperatives and leveraging of our established brands will drive revenue and profitability growth over the foreseeable future, thus enabling us to continue on our shareholder value creation journey.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Despite the continued challenges posed by the pandemic in 2021-22, at MBFSL, we remained focused on creating a great place to work, adapting to and embracing new ways of working while continuing to support and develop our people. We’re proud to be an organisation where all colleagues and co-workers are encouraged to develop and be their very best.

What makes MBFSL unique is the expertise and capability of our people. Attracting and retaining the best talent from all backgrounds is key to building a high-performance culture and tackling the skills shortage.

During the year 2021-22, our HR focus remained aligned with the organisational objective of growth and geographic diversification. Towards this extent, we focused on building the next-generation of young talent through strategic hiring of individuals at the managerial and CXO levels. This was rooted in recruiting experienced individuals from diverse sectors and industries with a view to create diversity of thought and action to ensure the organisation remains aligned to the new post-Covid world. Further, we've also placed key talent with P&L responsibilities closer to the markets where we operate as a means to ensure quicker decision making and opportunity capture, while also getting direct insights into key consumer trends.

Furthermore, we also stepped up initiatives in learning and development with a view to create a bigger and more participative platform for upskilling, especially amongst our factory workforce. We also adopted efforts in framing KRAs (key result areas) for our people to understand the expectations out of them and hence give a boost to organisational productivity, while also ensuring well-managed career progression. As a key employee service, we also adopted initiatives in payroll digitisation and leaves management, thus creating a smoother employee experience.

Diversity and inclusion is an important facet at MBFSL and we're proud that our shopfloor has 19% women employees. We provide added benefits to them, such as free transportation services to and from our plant (at Phillaur), etc.

In the current year (2022-23), we will continue to focus on talent futurization, especially with the Company's revamped strategies in exports as well as expansion in south and west India. One of our other key areas of emphasis will be to ensure adherence to ethics and compliance as we seek to build on our goodwill and drive sustainable organisational growth.

FINANCIAL REVIEW (CONSOLIDATED FINANCIAL PERFORMANCE)

MBFSL reported a satisfactory performance during 2021-22, a year that was characterised by the continued impacts of the COVID-19 pandemic, including the lethal second wave that forced the reimpositions of industrial and mobility restrictions. While the economy was recovering from the second wave, the third wave hit the country in December 2021 that was albeit milder and caused less disruptions than the previous two waves. However, a major event with global implications started to take shape in February 2022 comprising the Russian invasion of Ukraine. The war was waged by Russia with the perceived intent of annexing Ukrainian territory that prompted global sanctions to be imposed on Russia. With both Russia and Ukraine a part of major global food and energy chains, the war had a dramatic effect on both food and non-food (oil) prices. Besides, withdrawal of pandemic stimulus measures and normalisation of policy rates to control inflation caused central banks the world over to tighten policy rates that had a major impact on interest rates and bond yields.

In India, while pent-up demand release caused a spike in consumption trends after the second wave when restrictions were eased, consumers sought to tighten spending, especially of products of discretionary nature, with inflation causing price hikes in food costs and other essentials.

Given this macro scenario, MBFSL reported a 12.2% increase in consolidated revenue from operations (net) from ₹8,807.3 million in 2020-21 to ₹9,881.7 million in 2021-22. This gain was accrued from both volume expansion as well as value increase. During the year, the Company focused on operational efficiencies and other expense containment efforts to curb costs in the scenario where raw material costs stood at ₹5,511.2 million in 2021-22, up from ₹4,616.5 million in the previous year, thus representing an increase of 19.38%. Major operational transformation initiatives by the Company enabled it to control consolidated raw material expenses as a percentage of total expenses, which stood at 59.98% in 2021-22, against 58.15% in 2020-21.

Sharp cost increases beyond the Company's control however had an impact on consolidated profit for the year, which moderated by 20.95% from ₹722.8 million in 2020-21 to ₹571.4 million in 2021-22. Likewise, earnings per share also declined from ₹12.53 in 2020-21 to ₹ 9.72 during the year.

KEY FINANCIAL RATIOS AND RETURN ON NETWORTH

Details of significant changes in key financial ratios along with detailed explanation is provided below.

Key financial ratios for FY2021-22 (consolidated) compared to the last financial year are given below:

Particulars	Current Year ended March 2022	Previous Year ended March 2021
Current Ratio (times)	**2.05**	2.38
Debt Equity Ratio (times)	**0.27**	0.30
Debt Service Coverage Ratio (times)	**3.32**	6.22
Return on Equity Ratio (%)	**12.70%**	19.26%
Inventory Turnover Ratio (times)	**14.58**	17.57
Trade Receivable Turnover Ratio (times)	**13.45**	11.98
Return on Capital Employed (%)	**13.62%**	18.65%
Net profit margin (%)	**5.78%**	8.21%

Current Ratio

Reason for change more than 25%: Not applicable

Debt Equity Ratio

Reason for change more than 25%: Not applicable

Debt Service Coverage Ratio

Reason for change more than 25%: This ratio has declined from 6.22 times in March 2021 to 3.32 times in March 2022 due to lower net profit. Also there was an increase in principal repayments due to end of moratorium period of term loans.

Return on Equity Ratio
Reason for change more than 25%: This ratio has declined from 19.26% in March 2021 to 12.70% in March 2022 due to lower net profit. Although sales have increased during the year, but net profit has declined due to increase in raw material costs.

Inventory Turnover Ratio
Reason for change more than 25%: Not applicable

Trade Receivable Turnover Ratio:
Reason for change more than 25%: Not applicable

Return on Capital Employed:
Reason for change more than 25%: This ratio has declined from 18.65% in March 2021 to 13.62% in March 2022 due to lower net profit. Although sales have increased during the year, net profit has moderated due to increase in raw material costs.

Net Profit Margin
Reason for change more than 25%: This ratio has moderated from 8.21% in March 2021 to 5.78% in March 2022 due to lower net profit. Although sales have increased during the year, net profit has fallen due to increase in raw material costs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

RISK AND CONCERNS

At MBFSL, we believe that risk governance comprises the necessary organisational structure for maintaining a high standard of governance. It enables decisions relating to risks to be taken and implemented for the management and oversight of risk within the risk appetite and the tolerance levels and for institutionalising a strong risk culture. It enables our management to undertake risk-taking activities more prudently and with a sense of awareness and caution.

The Board of Directors of the Company have established a robust risk structure by leveraging best practices in risk management and governance. It comprises Board committees and executive functions with delegated authority, facilitating accountability for risk at all levels and across all risk types, hence enabling a disciplined approach to managing risk.

Key risks facing the business and their evolution and mitigation has been provided below:

KEY RISK	RISK EVOLUTION	THEMES IMPACTED	STRATEGIC PATH FORWARD
Strategic risk Income/segment diversity and financial performance	• Met revenue targets in both the biscuits-domestic and exports- and bakery segments • COVID has created demand shift from unorganised to formal players who demonstrate product quality and hygiene	• Focused on enhancing product value offering to meet customer expectations • Enabled portfolio premiumisation, harnessing strong brand equity across both biscuits and bakery products	• Continue to leverage North India base to foray into other parts of the country • Revamped exports strategy will enable a stronger exports business
Competition risk The business operates in a highly competitive industry with a number of global, pan-India, regional and local companies jostling for market share	• MBFSL has a strong brand recall and robust consumer goodwill • Mrs Bector's Cremica and English Oven brands have both carved their own space in the industry	• The Company thwarts competitive pressures through omni-channel distribution that ensures both product visibility and availability • A large and growing portfolio with competitive value positioning within each category also helps insulate against demand pressures	• The Company has earned its name through product taste and value that resonates with customers and the company will continue to build portfolio based on consumer insights • The Company is also the largest biscuit exporter from India that has not only opened an attractive revenue channel, but also provides de-risking within the segment itself
COVID resurgence risk Previously with the pandemic outbreak, though retail sales were not impacted, sales to QSRs/institutions were impacted. Any further outbreaks and subsequent lockdowns could impact sales in this segment.	• It is expected that high vaccination/immunity, including booster doses, will prevent occurrence of any lethal waves and many opine that the pandemic has reached endemic stage. However, we will remain cautious and activate BCP and learnings of the past to minimise any business impacts • With the economy still recovering from the COVID-19 impacts, it is unlikely that the government will impose any stringent lockdowns measures that were seen in the past	• Institutional bakery sales have been recovering strongly and we expect this momentum to continue, especially as large pan-India QSR players have announced expansion plans • Hybrid consumption- both on-premise and off-premise is here to stay and hence delivery/store pick up are trends that will also drive bakery product demand from institutional players and large QSRs	• We are the among the few to have invested in modern cold chain infrastructure for products that need specialised distribution capabilities and hence we stand out in this regard from others • We are foraying into value-added/specialised bread varieties, including Panini, Ciabatta and Focaccia, etc., that will not only drive product premiumisation, but also enable us to create consumption/offtake opportunities among new customers

KEY RISK	RISK EVOLUTION	THEMES IMPACTED	STRATEGIC PATH FORWARD
Downtrading risk An inflationary environment may prompt downtrading, impacting the Company as it products in mid to premium categories.	• COVID-19 has made consumers aware about healthy and hygienic products and hence they will unlikely downgrade to products that fail to provide this assurance • Amid inflation, market participants are unlikely to disrupt demand that has just recovered from COVID and hence rationality in pricing is expected to be maintained	• The Company's products demonstrate an established value proposition that meets customer expectations and hence demand is expected to largely stay intact • The Company's assorted multi-category products cater to a wide consumer choice and with wage growth keeping pace with inflation a major impact is not expected on mid and premium products	• We will maintain our consumer-centric innovations, leveraging global insights for products in India and vice-versa, thereby providing multiple consumption opportunities to our customers
Raw material risk Supply chain disruptions and commodity inflation has spurred raw material costs and this may impact MBFSL's profitability.	• Our bulk purchase of commodities, including cocoa, dairy, wheat, palm and other vegetable oils, sugar, flavouring agents, etc., ensure favourable pricing terms • We engage in extensive negotiations and contract supplies for an extended period, which supports lower costs increases, if any • We also purchase and use significant packaging materials and natural gas, fuels and electricity for our establishments. Our best practices in industrial efficiency help us control any fluctuations in energy prices	• Our longstanding relations with key suppliers allow us to ensure both quality and availability • We engage in continuous value engineering to optimise processes that help control wastages and hence maximise input use	• We will continue to adopt operational excellence to drive sustainable margin growth • We have strong process knowledge and, backed by our advanced equipment, we feel we would be relatively well insulated against any raw material price fluctuations • Globally, as on third quarter of the current year, commodity prices are already seen as coming down
ESG risk ESG (environmental, social, governance) norms and expectations are gaining precedence worldwide amongst the investor community.	• ESG has been a recent thrust area where investors are gauging the impact of business not just in terms of investor value, but also value delivered to the society, people and the planet • Investment decisions are being guided by ESG frameworks, with companies scoring high receiving favourable interest	• We have always believed in considered environmental management, a case in point being our investments in top of the line equipment and assets that are planet-friendly • We constantly endeavour to lower use of conventional energy • On the social front, we stand by employee diversity and inclusion and have almost 19% of women in our workforce as we provide meaningful and respectable livelihood opportunities • We do step back from providing need-based support to communities around which we operate, thereby solving local challenges and creating a harmonious work environment	• We have adopted best practices in governance, ethics and business conduct, implementing and monitoring policies that enable a culture of compliance • We remain fair and transparent in all our stakeholder dealings in the belief that our brand, recognition and goodwill are paramount

CAUTIONARY STATEMENT

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

DIRECTORS' REPORT

Dear members

Your Directors are pleased to present the 27th Annual Report on the affairs of the Company together with the audited statement of accounts for the year ended on 31st March, 2022.

FINANCIAL PERFORMANCE

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Operations (Net)	9,235.8	8,377.7	9,881.7	8,807.3
Other Income	106	98.4	62.8	101.3
Total Income	9,341.8	8,476.1	9,944.5	8,908.5
Less: Expenses	8,150.4	7,050.7	8,656.9	7,396.8
Less: Finance Cost	70.6	95.2	70.8	95.2
Less: Depreciation and Amortization	427.5	419.4	460	446.8
Add: Profit before share of equity accounted investees and tax share of net profit of associates accounted for using the equity method	-	-	0.4	0.9
Profit before Taxation	693.3	910.8	757.2	970.7
Less: Tax Expense (Deferred & Current)	158.4	232.6	185.81	248.0
Profit for the year	534.9	678.2	571.4	722.8
Add: Other Comprehensive Income / (loss) for the year	7.9	(0.6)	8.1	(0.4)
Total Comprehensive Income for the year	542.8	677.6	579.5	722.4
Earnings per Share				
Basic (₹)	9.1	11.8	9.7	12.5
Diluted (₹)	9.1	11.8	9.7	12.5

PERFORMANCE REVIEW

On standalone basis, the Company reported revenue from operations of ₹9,235.8 million for the financial year 2021-22, as compared to ₹8,377.7 million in the previous financial year 2020-21, registering a growth of 10.2%. Profit before financial expenses, depreciation and taxation stood at ₹1,085.4 million, as compared to ₹1327.0 million in the previous year. Net profit for the year under review amounted to ₹534.9 million, as compared to ₹678.2 million in the previous year, registering a substantive decrease of 21.13% over the previous year.

On consolidated basis, the Company reported revenue from operations of ₹9,881.7 million for the financial year 2021-22 as compared to ₹8,807.3 million in the previous financial year 2020-21, registering a growth of 12.2%. Profit before financial expenses, depreciation and taxation stood at ₹1224.8 million, as compared to ₹1410.5 million in the previous year. Net profit for the year under review amounted to ₹571.4 million, as compared to ₹722.8 million in the previous year, registering a decrease of 20.9%.

IMPACT OF THE COVID-19 PANDEMIC ON THE PERFORMANCE

The impact of the pandemic started in March 2020, with Governments announcing lockdown across the world to control the spread of the virus. It has been continued in the Financial Year 2021-22 also. This was followed by restricted easing of services across different countries to be followed by further rounds of lockdowns (including localised lockdowns) initiated across different countries.

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

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

CREDIT RATING

The Company was accorded credit rating by two rating agencies namely CRISIL and ICRA. Both CRISIL and ICRA have given the rating AA-/ Stable (pronounced "Double A minus Stable") for long-term borrowings and A1+ (pronounced "CRISIL A one plus") for short-term borrowings.

TRANSFER TO RESERVES

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

DIVIDEND

The Directors in their meeting held on 11.02.2022 have declared an interim dividend of ₹1.25/- per equity share of face value of ₹10/- each (i.e. 12.5%).

Further your Directors are pleased to recommend a final dividend of ₹1.25/- per equity share of face value of ₹10/- each (i.e. 12.5%) for the year ended March 31, 2022. The dividend, subject to the approval of members at the Annual General Meeting on Friday, September 30, 2022, will be paid within the time period stipulated under the Companies Act, 2013 (subject to deduction of tax at source).

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

MATERIAL CHANGES

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

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

(b) Material events during the year under review

There were no material events occurred during the year under review.

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

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

Subsidiary Company/Associate Company

At the close of financial year 2021-22, the Company had three subsidiary companies, viz.:

i. Bakebest Foods Private Limited

ii. Mrs. Bector's English Oven Limited

iii. Mrs Bectors Food International (FZE)

The company also has one associate company viz., Cremica Agro Foods Limited as on 31st March 2022.

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

Further, during the year 2021-22, Company has incorporated a wholly owned subsidiary in UAE namely "Mrs Bectors Food International (FZE)".

CONSOLIDATED FINANCIAL STATEMENTS

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

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

STATUTORY AUDITOR & AUDIT REPORT

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

The Auditors have given unmodified report as there are no qualifications, observations or adverse remarks made by the Auditors in their Report for the year ended March 31, 2022.

CHANGE IN THE NATURE OF BUSINESS

As required to be reported pursuant to Section 134(3)(q) read with Rule 8(5) (ii) of Companies (Accounts) Rules, 2014, there is no change in the nature of business carried on by the Company during the financial year 2021-22.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Name of Director/ KMP	Designation
1	Mr. Subhash Agarwal*	Chairman & Independent Director
2	Mr. Anoop Bector	Managing Director
3	Mr. Manu Talwar**	Chief Executive Officer
4	Mr. Ishaan Bector	Whole-time Director
5	Mr. Suvir Bector	Whole-time Director
6	Mr. Parveen Kumar Goel	Chief Financial Officer and Whole-time Director
7	Mr. Alok Kumar Misra***	Independent Director
8	Mr. Rajiv Dewan	Independent Director
9	Mrs. Pooja Luthra****	Independent Director
10	Mr. Atul Sud	Company Secretary and Compliance Officer

* Mr. Subhash Agarwal has been re-appointed for second term as an Independent Director of the Company for a period of one year w.e.f. 10.02.2022 to 09.02.2023. His re-appointment was approved by the members of the company through Postal Ballot held on 31.03.2022.

** Mr. Manu Talwar has been appointed as Chief Executive Officer w.e.f. 02.05.2022.

*** Mr. Alok Kumar Misra was appointed as an Independent Director of the Company for a period of one year w.e.f. 11.02.2022 to 10.02.2023. His appointment was approved by the members of the company through Postal Ballot held on 31.03.2022. Further the resolution for his re-appointment for the second term from 11.02.2023 to 10.02.2028 is placed in the Notice of this Annual Report.

**** Ms. Pooja Luthra, was appointed as an Independent Director of the Company for a period of two year w.e.f. 19.09.2020 to 18.09.2022. Resolution for her re-appointment for the second term from 19.09.2022 to 18.09.2027 is placed in the Notice of this Annual Report.

WOMAN DIRECTOR

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

MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and in terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was convened on March 30, 2022 to review the matters as laid down in the aforesaid schedule and regulations.

DEPOSITS

(Amount in ₹)

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

During the year under review, in compliance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and the various notifications/circulars issued by the Ministry of Corporate Affairs, the Company has contributed an amount of approximately ₹12.42 million directly and through Mrs. Bector Foundation (the implementing agency engaged in activities specified in Schedule VII of the Companies Act, 2013). The CSR Committee had approved long-term projects related to construction and renovation of building of School, women health and empowerment to promote wellness and equality among women and water conservation in Punjab. The above projects are aligned with the sustainable development goals (SDGs) and these activities will be implemented through Mrs. Bector Foundation or directly by the Company.

Other than the above, the Company directly or through Mrs. Bector Foundation can spend on any other activities specified in Schedule VII of the Companies Act, 2013 from time to time as may be required.

The salient features of the CSR policy along with the Report on CSR activities are given in Annexure-B to this Directors' Report.

NUMBER OF MEETINGS OF THE BOARD

During the year 2021-22, the Board of Directors met 5 times on June 7, 2021, August 10, 2021, November 12, 2021, February 11, 2022 and March 30, 2022.

BOARD COMMITTEES

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for that period;

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

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

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

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors furnished a declaration that they meet the criteria of Independence as provided in sub section 6 of Section 149 of the Companies Act, 2013 at the Board meeting held on 28th May, 2022.

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

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

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

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

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

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

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

e) To assess the independence of Independent Directors; and

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

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

BOARD EVALUATION

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

Subsequent to the year under review, the evaluation for the period 2021-22 was completed as per the policy adopted in compliance with the applicable provisions of the Act. The Board's assessment was discussed with the full Board evaluating, amongst other things, the full and common understanding of the roles and responsibilities of the Board, contribution towards development of the strategy and ensuring robust and effective risk management, understanding of the operational programs being managed by the Company, receipt of regular inputs, receipt of reports by the Board on financial matters, budgets and operations services, timely receipt of information with supporting papers, regular monitoring and evaluation of progress towards strategic goals and operational performance, number of Board meetings, committee structures and functioning, etc.

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

Disclosure of Remuneration of Directors and Employees of the Company

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

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013 read with the rules made thereunder, the Annual Return of the Company has been disclosed on the website of the Company and web link thereto is https://www.bectorfoods.com/panel/uploads/investor/09032022010152AnnualReturn.pdf.

SECRETARIAL AUDIT REPORT

M/s. JPM & Associates LLP, Practicing Company Secretaries, Ludhiana, has been appointed to conduct Secretarial Audit of the Company for the financial year 2021- 22 pursuant to section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014. A report submitted by them is attached herewith as Annexure–E. There was no qualification, reservation or adverse remark in the Report of the Secretarial Auditor.

CORPORATE GOVERNANCE

The Company is committed to follow the best Corporate Governance practices, including the requirements under the SEBI Listing Regulations and the Board is responsible to ensure the same from time to time. The Company has duly complied with the Corporate Governance requirements. Further, a separate section on Corporate Governance in compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V of the said regulations, along with a certificate from a Practicing Company Secretary confirming that the Company is and has been compliant with the conditions stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms part of the Annual Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2021-22 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. None of the transactions with related parties fall under the scope of Section 188(1) of the Act. There are no material related party transactions made by the Company during the year under review. Given that the Company does not have anything to report pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC- 2, therefore the same is not provided.

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

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

SHARE CAPITAL AND PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY TRUSTEES OR EMPLOYEES FOR THE BENEFIT OF EMPLOYEES

During the year under review, the Company issued shares to eligible employees under ESOP Plan 2017, the paid-up share capital of the Company has increased to ₹58,81,53,250 divided into 5,88,15,325 equity shares of ₹10 each.

UTILISATION OF ISSUE PROCEEDS

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

(Amount in ₹ million)

Particulars	Object of the issue as per Prospectus	Utilisation up to 31 March 2022	Unutilised amount as on 31 March 2022
Financing the project cost towards Rajpura extension project	405.40	142.04	263.36
Total fresh proceeds	405.40	**142.04**	**263.36**

As on June 30, 2022, an amount of ₹209.02 has been spent on the Proposed production line.

The Production line of Biscuits at Rajpura has started its Commercial Production with an installed Capacity of 12000 Tons per annum w.e.f. July 15, 2022.

Please note that the installation of the new production line of Biscuits at Rajpura is part of the overall Rajura Expansion Project which also includes building and civil works for the manufacturing facilities, e.g., site development, construction and engineering related work including construction of pre-engineered building, construction of biscuit building, construction of roads, floor finish, construction of super-structure, roof, doors, rolling shutters and windows, office furnishings, weathering course, drainage and sewerage system, earth filling, electrical planning and equipment. The building and civil works of the Rajpura Expansion Project was delayed due to some unavoidable factors including COVID-19 pandemic, supply chain disruptions and other commercial considerations and is now scheduled to be completed by September 30, 2022.

AUDIT COMMITTEE AND VIGIL MECHANISM

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

The committee held Five meetings during the year under review.

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

RISK MANAGEMENT POLICY

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report ("BRR") for the year under review, as stipulated under 34(2)(f) of the SEBI Listing Regulations to be submitted by top-1,000 listed entities based on their market capitalization as on March 31, 2022, is presented separately and forms part of this Annual Report.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

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

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

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

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

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

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DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

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

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

VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

The Company is complying with the provisions of Section 129 or 134 of Companies Act, 2013, so there was no voluntary revision done by the Company during financial year 2021-22.

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

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

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

The Company does not have any holding company. Further, no subsidiary company of the Company has paid any commission/ remuneration to the Directors of the Company for the financial year 2021-22.

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

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

FRAUD REPORTING

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

DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT

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

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

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

The Company has made investment of ₹26,00,000 @ ₹10 per share in Solarstream Renewable Services Private Limited and has been allotted 2,60,000 shares in the said Company on 21.03.2022.

INTERNAL AUDITOR

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

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed Grant Thornton India LLP, Gurgaon, as Internal Auditors to conduct internal audit for the financial year 2021-22.

The Company has an Internal Audit Department to test the adequacy and effectiveness of internal control systems laid down by the management and to suggest improvement in the systems. Internal Audit Reports are discussed with the management and are reviewed by the Audit Committee of the Board. Grant

Thornton India LLP, Gurgaon, conducted the internal audit for the financial year 2021-22 and presented an Internal Audit Report, which did not have any objection in it.

INTERNAL FINANCIAL CONTROLS AUDIT

During the financial year 2021-22 under review, the Company's internal controls were tested by M/s Genikon Services Pvt. Ltd., and no reportable weakness in the system was observed.

COST AUDITORS

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

SECRETARIAL STANDARDS

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

ACKNOWLEDGMENT

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

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

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

Place: Phillaur
Date: 09.08.2022

ANNEXURE – A

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

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

A. CONSERVATION OF ENERGY

(i) Measures taken for conservation of energy:

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

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

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

d) Solar power panels installed at the Noida, Rajpura, Khopoli and Phillaur manufacturing facility

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

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

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

(iii) Impact of measures at (i) and (ii) above:

Your Company will save ₹10 Crore in a span of 15 years through use of Renewable energy.

B. TECHNOLOGY ABSORPTION

The efforts made towards technology absorption:

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

Benefits derived

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

C. RESEARCH AND DEVELOPMENT (R & D)

Your Company has a state-of-the-art R&D centre and expertise which enables the development of innovative, high quality and consumer centric products. On the Biscuit side, your Company launched new products such as 'Trufills', 'Premium Sugar and Classic Crackers', 'Pista Almond Cookies', Non-Stop Potato Crackers etc., and on the Bakery side your Company launched new products, such as Butter Croissant, Butter Pain-Au-Chocolate, Tandoori Paneer Calzone, Cashew Fudge Brownie, Cheesy Margherita Pizza, Desi Paneer Pizza, Grilled Veggies Pizza, Mexican Sub Pizza, Double Cheese Jalapeno Sub Pizza, Marble Cake Slice, Mushroom Snacker, Tomato & Herb Snacker and Peach Crumble Muffin.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in million)

Particulars	FY 2021-2022	FY 2020-2021
Total foreign exchange received (F.O.B. value of export)	**2,103.95**	1,936.92
Total foreign exchange used	**100.14**	518.43

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

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

Place: Phillaur
Date: 09.08.2022

ANNEXURE – B

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Our philosophy is to undertake socially useful programmes for welfare and sustainable development of the community at large. Our initiatives include those aimed at promoting health care, promoting education, women heath and empowerment to promote wellness and equality among women and water conservation in Punjab for the benefit of the society.

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

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

2. COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Anoop Bector	Managing Director	1	1
2.	Subhash Agarwal	Independent Director	1	1
3.	Parveen Kumar Goel	Wholetime Director	1	1

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY: THESE DETAILS CAN BE ACCESSED

http://www.bectorfoods.com/panel/uploads/investor/04252022125213CompositionofCommittees-MBFSL.pdf

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT)

- Not Applicable for the FY 21-22.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

– Nil

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) :

Rs. 621.04 million

7. (A) TWO PERCENT OF AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5)

– Rs. 12.42 million

(B) SURPLUS ARISING OUT OF THE CSR PROJECTS OR PROGRAMMES OR ACTIVITIES OF THE PREVIOUS FINANCIAL YEARS

– Nil

(C) AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY

- Nil

(D) TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR (7A+7B-7C)

- Rs. 12.42 million

8. (A) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
12.42 million	NIL				

(B) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Imple-mentation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NIL												

(C) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ million).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1.	Supporting livelihood	Eradicating hunger and malnutrition	Yes	Ludhiana, Punjab		0.40	Yes		
2.	Design for change	Environmental sustainability	Yes	Ludhiana, Punjab		0.29	Yes		
3.	Affordable health care	Promoting of health care	Yes	Ludhiana, Punjab		1.52	Yes		
4.	Contribution to Social Action Group	Promotion of education	No	Jammu		0.10	Yes		
5.	Construction and renovation of building of School, women health and empowerment and water conservation in Punjab	Promotion of education	Yes	Ludhiana, Punjab		10.11	No	Mrs. Bector Foundation	CSR00022284
	Total					**12.42**			

(D) AMOUNT SPENT IN ADMINISTRATIVE OVERHEADS: Nil

(E) AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE - Nil

(F) TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR (8B+8C+8D+8E) – Rs. 12.42 million

(G) EXCESS AMOUNT FOR SET OFF, IF ANY

Sl. No.	Particular	Amount (₹ In Millions)
(i)	Two percent of average net profit of the company as per section 135(5)	12.42
(ii)	Total amount spent for the Financial Year	12.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (A) DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).
				Name of the Fund	Amount (in ₹).	Date of transfer.	
NIL							

(B) DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
Not Applicable								

10. CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET WISE DETAILS)

(A) DATE OF CREATION OR ACQUISITION OF THE CAPITAL ASSET(S): Not Applicable

(B) AMOUNT OF CSR SPENT FOR CREATION OR ACQUISITION OF CAPITAL ASSET: Nil

(C) DETAILS OF THE ENTITY OR PUBLIC AUTHORITY OR BENEFICIARY UNDER WHOSE NAME SUCH CAPITAL ASSET IS REGISTERED, THEIR ADDRESS ETC.: Nil

(D) PROVIDE DETAILS OF THE CAPITAL ASSET(S) CREATED OR ACQUIRED (INCLUDING COMPLETE ADDRESS AND LOCATION OF THE CAPITAL ASSET): Nil

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)

– Not applicable

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

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

Place: Phillaur
Date: 09.08.2022

ANNEXURE – C

FORM AOC-1

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

PART "A": SUBSIDIARIES

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

Subsidiary 1

(Amount in ₹ Million)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Bakebest Foods Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of holding company, i.e. 31.03.2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Since the company is an Indian company, this clause is not applicable
4	Share capital	181.50
5	Reserves & surplus	179.52
6	Total assets	422.24
7	Total Liabilities	61.22
8	Investments	Nil
9	Turnover	646.21
10	Profit before taxation	109.76
11	Provision for taxation	27.46
12	Profit after taxation	82.30
13	Proposed Dividend	Nil
14	% of shareholding	100

Subsidiary 2

(Amount in ₹ Million)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Mrs. Bector's English Oven Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of holding company, i.e. 31.03.2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Since the company is an Indian company, this clause is not applicable
4	Share capital	0.50
5	Reserves & surplus	(0.00)
6	Total assets	0.52
7	Total Liabilities	0.02
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	0.00
11	Provision for taxation	0.00
12	Profit after taxation	0.00
13	Proposed Dividend	Nil
14	% of shareholding	100

PART "B": ASSOCIATES/JOINT VENTURES

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

(Amount in ₹ Million)

Sr. No.	Particulars	Details
1	Name of associate	Cremica Agro Foods Limited
2	Latest audited Balance Sheet date	31.03.2022
3	**Shares of Associate held by the company on the year end**	
	No. of Shares	19,37,268
	Amount of Investment in Associates	19.37
	Extend of Holding%	43.10
4	Description of how there is significant influence	Mrs. Bectors Food Specialities Limited controls more than 20% of total voting power of Cremica Agro Foods Limited
5	Reason why the associate is not consolidated	Controlling right is not there
6	Net worth attributable to shareholding as per latest audited Balance Sheet	₹39.62 million
7	Profit/Loss for the year	
	Considered in Consolidation	₹0.41 million
	Not Considered in Consolidation	-

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

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

Place: Phillaur
Date: 09.08.2022

ANNEXURE – D

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

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Total options outstanding as at the beginning of the period	Nil	1,41,742	1,75,801	1,31,417	72,871
Total options granted	1,41,742	34,359	Nil	11,454	-
Exercise price of options in ₹ (as on the date of grant of options)	174.62	174.62	N.A	174.62	174.62
Options forfeited/ lapsed/ cancelled (cases where options cancelled due to termination of employment)	Nil	Nil	44,384	Nil	Nil
Variation of terms of options	N.A	N.A	N.A	N.A	N.A
Money realized by exercise of options (₹)	Nil	₹52,385 (300 Equity Shares)	Nil	₹1,22,23,309 (70,000 equity shares)	₹1,20,15,711.81 (68,811 equity shares)
Total number of options outstanding as at the end of the period	1,41,742	1,75,801	1,31,417	72,871	4,060
Options exercised (since implementation of the ESOP scheme)	Nil	300	Nil	70,300	1,39,111
Total number of Equity Shares arising as a result of granted options without considering effect of options cancelled (including options that have been exercised)	1,41,742	34,359	Nil	11,454	Nil
Options granted to key managerial person	Mr. Parveen Kumar Goel-17,180	Nil	Nil	Nil	Nil

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

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

Place: Phillaur
Date: 09.08.2022

ANNEXURE – E

FORM NO. MR-3

Secretarial Audit Report

(For the Financial Year Ending 31.3.2022)

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

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

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Mrs.Bectors Food Specialities Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2022, 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 Mrs.Bectors Food Specialities Limited for the financial year ended on 31st March 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

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

   (a) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

   (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (No event during the review period);

   (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations,2021;

   (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021; (No event during the review period);

   (h) 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;

(vi) Laws applicable to the industry to which the Company belongs, as identified and confirmed by the management of the company and confirmed that the company has complied with these laws:

- Food Safety & Standards Act, 2006 and regulations made thereunder
- Legal Metrology Act, 2009 and Legal Metrology (General) Rules, 2011
- Legal Metrology (Packaged Commodities) Rules, 2011
- The Factories Act, 1948
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employee Provident Fund and Miscellaneous Provisions Act, 1952
- Employee State Insurance Act, 1948
- The Payment of Bonus Act, 1965
- The Environment (protection) Act, 1986
- Electricity Act, 2003
- Payment of Gratuity Act, 1972
- Water (Prevention & Control of Pollution) Act, 1974 and rules thereunder
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with Bombay/ National Stock Exchange(s), read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that during the Period under Review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

We further report that

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

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

(c) As per the minutes, the decisions at the Board Meetings were taken unanimously..

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

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

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

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

We further report that during the Period under Review, the Company has not undertaken any specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. **Approval to ratify the MBFSL Employee Stock Option Plan- 2017.**
   During the Period under Review, the shareholders of the company at their Annual General Meeting held on August 5, 2021 by way of special resolution under Section 62 of the Act read with the SEBI (Share Based Employee Benefits) Regulations, 2014 ratified the MBFSL Employee Option Plan-2017.

2. **Approved ratification to Extend Benefits of MBFSL- Employee Stock Option Plan 2017 to the Employees/Directors of the Holding Company and Subsidiary Company(ies).**
   During the Period under Review, the shareholders of the company at their Annual General Meeting held on August 5, 2021 by way of special resolution under Section 62 of the Act read with the SEBI (Share Based Employee Benefits) Regulations, 2014 approved the ratification to Extend Benefits of MBFSL- Employee Stock Option Plan 2017 to the Employees/Directors of the Holding Company and Subsidiary Company(ies).

3. **Approval for amendment in Articles of Association of the Company for inserting Clause on "CHAIRMAN EMERITUS".**
   During the Period under Review, the shareholders of the company at their Annual General Meeting held on August 5, 2021 by way of special resolution under Section 14 of Companies Act, 2013 approved the alteration of the article of association, by inserting the Article 4A i.e. "Chairperson Emeritus" after the present Article 4 of the Articles of Association of the Company.

4. **Approval for issue of ESOPs under MBFSL Employee Stock Option Plan- 2017.**
   During the Period under Review, the company has issued 50,023 ESOPs on 07.06.2021 and 18788 ESOPs on in its meeting held on 12.11.2021 under MBFSL Employee Stock Option Plan- 2017.

5. **Incorporation of Wholly Owned Subsidiary (WOS) at Dubai, UAE.**
   During the Period under Review, Company has incorporated Wholly Owned Subsidiary (WOS) at Dubai, UAE with Board approval dated June 07, 2021.

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.

For **JPM & Associates LLP**
Companies Secretaries
Peer Review Cert. No. 1903/2022

CS Pankaj Malhotra
Designated Partner
M.No. 11481 | CP No. 18710
LLP ID: L2020PB007800
UDIN: F011481D000558753

Dated: July 04, 2022
Place: Ludhiana

'Annexure A'

(Forming Integral Part of Secretarial Audit Report for the financial year ending 31.3.2022)

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

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

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

For **JPM & Associates LLP**
Companies Secretaries
Peer Review Cert. No. 1903/2022

CS Pankaj Malhotra
Designated Partner
M.No. 11481 | CP No. 18710
LLP ID: L2020PB007800
UDIN: F011481D000558753

Dated: July 04, 2022
Place: Ludhiana

ANNEXURE – F

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

1. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:**

Sr. No.	Name & Designation of Director/KMP	Remuneration received in FY2021-22 (in ₹ million)	% Increase in remuneration in FY2021-22	Ratio of remuneration to each Director to median remuneration of employees
1	Anoop Bector, Managing Director	40.560	2.76%	289.71
2	Ishaan Bector, Whole-time Director	17.000	3.72%	121.43
3	Suvir Bector, Whole-time Director	16.230	72.84%	115.93
4	Parveen Kumar Goel, Whole-time Director	7.510	(0.27)%	53.64
5	Subhash Agarwal, Chairman & Independent Director	0.125	(84.38)%	0.89
6	Rajiv Dewan, Independent Director	0.125	(64.29)%	0.89
7	Pooja Luthra, Independent Director	0.125	(45.65)%	0.89
8	Alok Kumar Misra, Independent Director	0.025	NA	0.18
9	Atul Sud, Company Secretary & Compliance Officer	1.130	0.00	8.07

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

** Independent Directors are paid Director Sitting Fees

2. The median fixed remuneration of employees of the Company during the financial year was at ₹1.68 lakhs per annum.

3. In the financial year, there was an increase of 2.19% in the median fixed remuneration of employees.

4. There were 2,497 permanent employees on the rolls of Company as on March 31, 2022.

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2021-22 was 10.18%, whereas increase in the managerial remuneration for the same financial year was 4.19%.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for directors, key managerial personnel and other employees.

Statement of particulars of employees under Section 197 of the Companies act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31.03.2022

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

Sr. No.	Name & Designation	Age in years	Qualification and experience	Nature of employment (contractual otherwise)	Date of commencement of employment	Remuneration received (in ₹ million)	Last employment	Whether Director, relative of any Director/ Manager
1	Anoop Bector, Managing Director	59	BCom and has experience of more than 30 years	Permanent	September 19, 1995	40.56	MD of Cremica Agro Foods Limited	Yes
2	Ishaan Bector, Whole-time Director	33	Bachelor's degree in Arts from Michigan State University and has an experience of 10 years	Permanent	July 1, 2011	17.00	N.A.	Yes
3	Suvir Bector, Wholetime Director	27	Bachelor's degree in arts with honours in management with marketing from University of Exeter and has a Master's in global supply chain management from Cass Business School, City University in London and has an experience of 3 years	Permanent	July 24, 2018	16.23	N.A.	Yes

B. Details of the Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month as follows:

Sr. No.	Name & Designation	Age in years	Qualification and experience	Nature of employment (contractual otherwise)	Date of commencement of employment	Remuneration received (in ₹ million)	Last employment	Whether Director, relative of any Director/ Manager
1	Sanchali Gupta, Head- International Business, Middle East	36	MBA - International Business (Symbiosis Institute of International Business) and has an experience of 15 years	Permanent	January 1, 2022	2.71	IFFCO Group (Dubai)	No

*She has joined the Company on 01.01.2022 and is being paid ₹0.90 mn per month.

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

Sr. No.	Name & Designation	Age in years	Qualification and experience	Nature of employment (contractual otherwise)	Date of commencement of employment	Remuneration received (in ₹ million)	Last employment	Whether Director, relative of any Director/ Manager
1	Anoop Bector, Managing Director	59	B Com and has an experience of more than 30 years	Permanent	September 19, 1995	40.56	MD of Cremica Agro Foods Limited	Yes
2	Ishaan Bector, Whole-time Director	33	Bachelor's degree in Arts from Michigan State University and has an experience of 10 years	Permanent	July 1, 2011	17.00	N.A.	Yes
3	Suvir Bector, Wholetime Director	27	Bachelor's degree in arts with honours in management with marketing from University of Exeter and has a Master's in global supply chain management from Cass Business School, City University in London and has an experience of 3 years	Permanent	July 24, 2018	16.23	N.A.	Yes
4	Rashmi Bector, Vice President (Business Development)	56	Bachelor's degree in Arts and has an experience of 22 years	Permanent	August 1, 1999	9.90	N.A.	Yes
5	Neeraj Aggarwal, VP Biscuits & Projects	52	Bachelor's degree in electrical engineering from Thapar Institute of Engineering and Technology in Patiala, Punjab	Permanent	November 19, 2012	8.72	Britannia Industries Limited	No
6	Gurpreet Singh Amrit, Chief Marketing Officer	48	Post graduate diploma in management from Symbiosis, Pune. He has over 20 years of experience in the consumer goods industry	Permanent	January 20, 2020	8.22	Dabur India Limited, Wrigley India (P) Limited, Bajaj Corp Limited, and Emami Limited	No
7	Rajeev Dubey, Director, Breads Sales	52	B Com from University of Delhi	Permanent	August 23, 2018	8.09	Harvest Gold	No
8	Parveen Kumar Goel, Whole-time Director	58	B Com, CA	Permanent	April 02, 2007	7.51	Eveline International	No
9	SS Chaudhari	60	M.Sc Food Technology from Central Food Technological Research Institute Mysore and has more than 26 years of experience in Production.	Permanent	August 19, 2003	7.26	Al Rashed Food Limited	No
10	Nitesh Kotian	46	B.Com, Masters in Marketing Management and has more than 20 years of experience.	Permanent	July 6, 2021	6.06	Devyani Food Industries Limited	No

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

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

Place: Phillaur
Date: 09.08.2022

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

1. BOARD OF DIRECTORS

The Board of Directors and its committees provide leadership and guidance to the Company's management while discharging its fiduciary responsibilities, directs as well as reviews business objectives and management strategic plans, and monitors the performance of the Company. The Company has a professional Board with right mix of knowledge, skills and expertise in diverse areas with an optimum combination of Executive and Non-Executive Directors, including Independent Directors and Women Directors. Besides having financial literacy, vast experience, leadership qualities and the ability to think strategically, the Directors are committed to ensure the highest standards of corporate governance. During the year, Mr. Alok Kumar Misra (DIN:00163959), appointed as Non-Executive – Independent Director of the company w.e.f. February 11, 2022 for 1st term of One year, Mr. Subhash Agarwal (DIN:02782473) was re-appointed as Non-Executive – Independent Director of the company w.e.f. February 10, 2022 for 2nd term of One year and Mr. Rahul Goswamy (DIN:07357011), Non-Executive -Nominee Director of the company has resigned on October 05, 2021. The Company has a Non-Executive Chairman who is also an Independent Director of the Company and is not related to the Wholetime Director. The composition of the Board and category of Directors as on 31.03.2022 is as follows:

Category	Name of Director
Managing Director	Mr. Anoop Bector
Wholetime Directors	Mr. Ishaan Bector
	Mr. Suvir Bector
	Mr. Parveen Kumar Goel
Independent Directors	Mr. Subhash Agarwal
	Mr. Rajiv Dewan
	Mrs. Pooja Luthra
	Mr. Alok Kumar Misra

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

KEY FUNCTIONS OF THE BOARD

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

BOARD MEETINGS

The Board of Directors meets at least once in every quarter and also as and when required. During the year under review, the Board met on 5 (five) occasions, i.e., on June 7, 2021, August 10, 2021, November 12, 2021, February 11, 2022 and March 30, 2022.

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

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

A. The following table describes the composition and category of each Director on the Board, their status, their attendance at the Board meetings and the last Annual General Meeting, together with the details of number of other directorships and committee membership(s)/chairmanship(s) of each Director as at 31.03.2022:

Name of the Director	Category of Director	No. of Board meetings attended	Attendance at AGM held on 05.08.2021	No. of Directorship in listed entities, including this listed entity	No. of membership in audit/ stakeholders' committee, including this listed entity	No. of post of chairperson in audit/ stakeholders' committee held in listed entities, including this listed entity	Name of other listed entities in which they hold Directorship
Mr. Subhash Agarwal	Non-Executive - Independent Director, Chairperson	5	Yes	1	1	Nil	NA
Mr. Anoop Bector	Executive Director, MD	5	Yes	1	1	Nil	NA
Mr. Ishaan Bector	Executive Director	5	Yes	1	Nil	Nil	NA
Mr. Parveen Kumar Goel	Executive Director	5	Yes	1	1	Nil	NA
Mr. Suvir Bector	Executive Director	5	Yes	1	Nil	Nil	NA
Mr. Rajiv Dewan	Non-Executive - Independent Director	5	Yes	2	4	4	Trident Limited
Mrs. Pooja Luthra	Non-Executive - Independent Director	5	No	1	1	Nil	Nil
Mr. Alok Kumar Misra	Non-Executive Independent Director	1	Yes	3	3	Nil	Monte Carlo Fashions Limited, Investment Trust of India Limited

*Rajni Bector was appointed as Chairman Emeritus w.e.f. April 1, 2021.

B. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31.03.2022:

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

Name of Directors	No. of shares
Mr. Anoop Bector	1,25,50,800
Mr. Ishaan Bector	100
Mr. Suvir Bector	100
Mr. Parveen Kumar Goel	16,180

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

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

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

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

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

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

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

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

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

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

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

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

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

D. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, mandates the Independent Directors of the Company to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of the management. The separate Independent Directors' meeting was scheduled and conducted via video conferencing on March 30th, 2022. The meeting was chaired by Mr. Subhash Agarwal, Independent Director, wherein the Independent Directors, inter alia, discussed the following:

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

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

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

E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company on appointment of an Independent Director, issues a formal Letter of Appointment setting out the terms of appointment, duties and responsibilities. The Company, in terms of Regulation 25(7) of Listing Regulations, has also put in place a system to familiarize the Independent Directors of their roles, rights, responsibilities, nature of industry in which the Company operates, business model of the Company, and ongoing events relating to the Company. It aims to provide the Independent Director/s an insight into the Company's functioning and to help them to understand its business in depth so as to enable them to contribute significantly during the deliberations at the Board and committee meetings. The details of familiarisation programme imparted to Independent Directors during the financial year 2021-22 are available at the Company's website and can be accessed at www.bectorfoods.com

F. RESIGNATION OF INDEPENDENT DIRECTOR

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

G. DIRECTORS' DIRECTORSHIPS/COMMITTEE MEMBERSHIPS

The number of Directorships and committee positions held by the Directors are in conformity with the limits laid down in the Companies Act, 2013 and Listing Regulations, as on 31st March, 2022. As per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the Directors were a member in more than ten committees, nor a chairman in more than five committees across all companies.

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

H. BOARD MEETING PROCEDURES

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

I. INFORMATION SUPPLIED TO THE BOARD

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

2. COMMITTEES OF THE BOARD:

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

(A) Audit Committee

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

During the year under review, the Audit Committee met on 5 (five) occasions, viz. June 7 2021, August 10, 2021, November 12, 2021, February 11, 2022 and March 30, 2022 to deliberate on various matters. Not more than 120 days lapsed between any two consecutive meetings of the Audit Committee during the year. The necessary quorum was present at all the meetings.

Mr. Parveen Kumar Goel replaced Mr. Rahul Goswamy in the Audit Committee as member of the committee w.e.f. November 12, 2021.

The composition of the Audit Committee as at 31.03.2022 and particulars of meetings attended by the members during the financial year 2021-22 are given hereunder:

Name of Committee members	Category	No. of meetings attended
Mr. Rajiv Dewan	Non-Executive - Independent Director, Chairperson	5
Mr. Subhash Agarwal	Non-Executive - Independent Director, Member	5
Mr. Rahul Goswamy	Non-Executive - Nominee Director, Member	2
Mr. Parveen Kumar Goel	Whole-time Director, Member	3

SCOPE AND TERMS OF REFERENCE:

The role of the Audit Committee shall include the following:

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

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

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

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

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

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

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

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

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

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

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

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

7) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer

document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

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

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

10) Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

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

20) Reviewing the functioning of the whistle blower mechanism;

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

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

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

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

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of 3 (three) members (all are Non-Executive Directors) and the Chairman of the Committee is an Independent Director. During the year under review, the committee met 5 times, i.e. on June 7, 2021, August 10, 2021, November 12, 2021, February 03, 2022 and February 11, 2022. The necessary quorum was present at the meeting. The Company Secretary acts as the secretary of the committee.

Mr. Subhash Agarwal replaced Mr. Rahul Goswamy in the Nomination and Remuneration Committee as member of the committee w.e.f. November 12, 2021.

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

Name of Committee members	Category	No. of meetings attended
Mr. Rajiv Dewan	Non-Executive - Independent Director, Chairperson	5
Mr. Rahul Goswamy	Non-Executive - Nominee Director, Member	2
Mrs. Pooja Luthra	Non-Executive - Independent Director, Member	5
Mr. Subhash Agarwal	Non-Executive - Independent Director, Member	3

SCOPE AND TERMS OF REFERENCE:

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

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

3) Devising a policy on Board diversity;

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

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

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

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

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

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

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

    (a) The SEBI Insider Trading Regulations; and

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

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

    (a) Administering the ESOP Plan 2017;

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

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

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

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

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

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

The Nomination and Remuneration policy of the Company is available on the Company's website at http://www.bectorfoods.com

PERFORMANCE EVALUATION:

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

REMUNERATION TO DIRECTORS:

The remuneration paid to Executive Directors is determined by the Nomination and Remuneration Committee, subject to approval of the Board that is subject to the limits laid down under Section 197 and Schedule V of the Companies Act, 2013 and in accordance with the terms of Appointment approved by the shareholders of the Company. The Non-Executive Directors have not been paid any remuneration, except sitting fees for attending the Board meetings. The details of remuneration paid to Directors during the financial year ended March 31, 2022 are as follows:

(Amt in ₹ million)

Name of Director	Salaries, perquisites and allowances	Commission	Sitting fees	Total
Mr. Anoop Bector	40.56	-	-	40.56
Mr. Ishaan Bector	17.00	-	-	17.00
Mr. Suvir Bector	16.23			16.23
Mr. Parveen Kumar Goel	7.51	-	-	7.51
Mr. Subhash Agarwal	-	-	0.125	0.125
Mr. Rajiv Dewan	-	-	0.125	0.125
Mrs. Pooja Luthra	-	-	0.125	0.125
Mr. Alok Kumar Misra	-	-	0.025	0.025

DIRECTORS WITH PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTION WITH THE COMPANY:

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

CRITERIA FOR MAKING PAYMENTS TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

Board/shareholders.

(C) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of 3 (three) members. During the year under review, the committee met on 1 (one) occasion, viz. March 30, 2022. The committee looks into various queries/issues relating to shareholders/ investors, including non-receipt of dividend, annual report, etc. Mr. Atul Sud is the Company Secretary and Compliance Officer of the Company.

Mrs. Pooja Luthra replaced Mr. Rahul Goswamy in the Stakeholders' Relationship Committee as member of the committee w.e.f. November 12, 2021.

The table below highlights the composition and attendance of the members of the Committee as on March 31, 2022:

Name of Committee members	Category	No. of meetings attended
Mr. Rajiv Dewan	Non-Executive - Independent Director, Chairperson	1
Mr. Anoop Bector	Executive - Director, Member	1
Mrs. Pooja Luthra	Non-Executive – Independent Director, Member	1

Scope and terms of reference:

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

1) Considering and resolving grievances of shareholders and other security holders;

2) Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of equity shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;

3) Resolving the grievances of the security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

4) Review of measures taken for effective exercise of voting rights by shareholders;

5) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

6) Review of various measures and initiative taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders of the Company;

7) Allotment of equity shares, approval of transfer or transmission of equity shares or any other securities;

8) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and

9) Carrying out any other functions required to be undertaken by the Stakeholders' Relationship Committee under the applicable law.

(D) Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013, comprising Mr. Anoop Bector as Chairman and Mr. Subhash Agarwal and Mr. Parveen Kumar Goel as members. The Committee met once during the year, viz., 30.03.2022.

The table below highlights the composition and attendance of the members of the committee as on March 31, 2022:

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

Scope and terms of reference:

The role of the CSR committee shall include the following:

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

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

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

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

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

(E) Risk Management Committee

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

Mr. Anoop Bector replaced Mr. Rahul Goswamy in the Risk Management Committee as member of the committee w.e.f. November 12, 2021 and Mr. Parveen Kumar Goel was appointed as chairperson of the committee.

The committee met twice during the year, viz., 10.08.2021 and 03.02.2022. The attendance of the members of the committee is as given below:

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

Scope and terms of reference:

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

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

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

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

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

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

Governance codes

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

The Company has adopted a code of conduct ("the code") for Directors and senior management, which is applicable to the Board of Directors and the senior management of the Company. The Board of Directors and the members of the senior management team of the Company are required to affirm annual compliance of this code. A declaration signed by the Managing Director of the Company to this effect is placed at the end of this report. The code requires Directors and employees to act honestly, fairly, ethically, and with integrity and conduct themselves in a professional, courteous and respectful manner. The code is displayed on the Company's website, viz. http://www.bectorfoods.com/panel/uploads/investor/09302021074903MBFSL-Code-of-conduct-for-DirectorsandtheSeniorManagement.pdf

ii. Conflict of interests:

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

iii. Insider trading code:

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

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

3. SUBSIDIARY COMPANIES

The Company has three subsidiary companies, viz.:

i. Bakebest Foods Private Limited

ii. Mrs. Bector's English Oven Limited

iii. Mrs. Bectors Food International (FZE)

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

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

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

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

4. GENERAL BODY MEETINGS

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

Financial year	Day & date	Time	Venue	No. of special resolutions passed
2020-2021	Thursday 05.08.2021	11:00 hours (IST)	Through VC	5
2019-2020	Friday 16.10.2020	11:00 hours (IST)	Through VC	8
2018-2019	Friday 20.09.2019	16:00 hours (IST)	At the Registered office of the Company: Theing Road, Phillaur-144410, Punjab	1

B. POSTAL BALLOT/EXTRA-ORDINARY GENERAL MEETING

Approval of Members of the Company were accorded through Postal Ballot for re-appointment of Mr. Subhash Agarwal (DIN:02782473) and appointment of Mr. Alok Kumar Misra (DIN:00163959) as a Non-Executive Independent Directors. The results of the Postal Ballot were declared by the Scrutinizers on 31st March, 2022.

5. MEANS OF COMMUNICATION

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

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

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

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

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

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

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

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

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

6. GENERAL SHAREHOLDER INFORMATION

(i) 27th Annual General Meeting: Friday, 30th day of September, 2022, at 11:00 AM through VC/OAVM

(ii) Financial year: April 1, 2022 to March 31, 2023

(iii) Results for the quarter ending (tentative):
30th June, 2022 – Second week of August, 2022
30th September, 2022 – Second week of November, 2022
31st December, 2022 – Second week of February, 2023
31st March, 2023 – Fourth week of May, 2023

(iv) Dividend payment record date: Friday, 23rd September, 2022
Date of book closure: Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)

(v) Listing on stock exchanges: The equity shares of the Company are listed on the following stock exchanges:-
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051.

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

(vii) Listing fee/Annual custody fee:
The annual listing fee has been paid to the BSE and NSE for the financial year 2022-2023. The Company has also made the payment of annual custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2022-23.

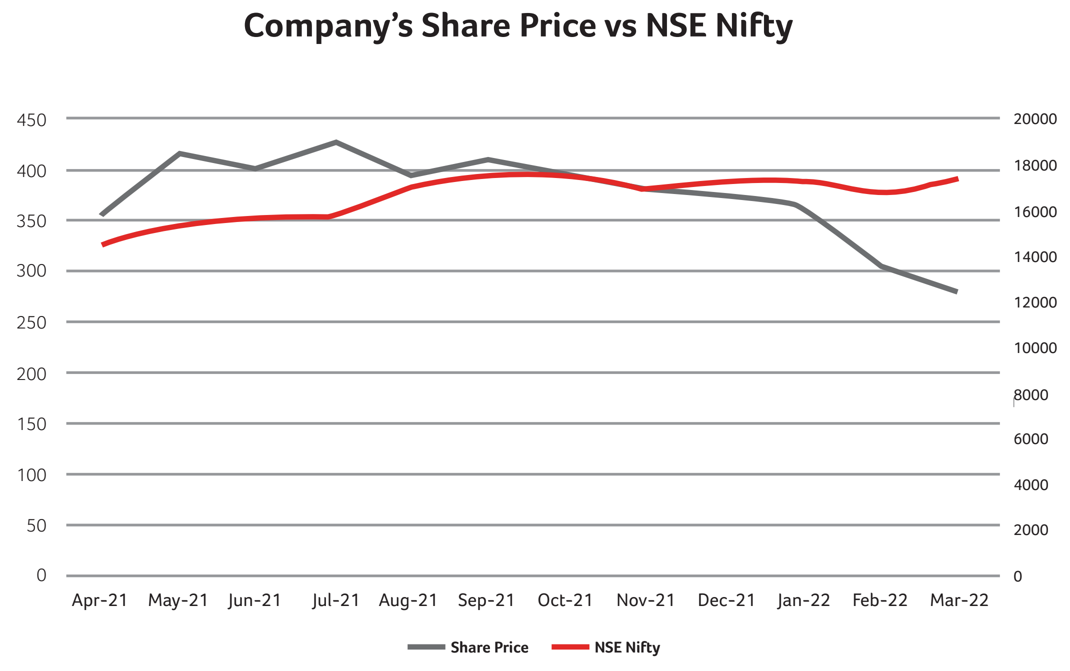
(viii) Market price data:

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

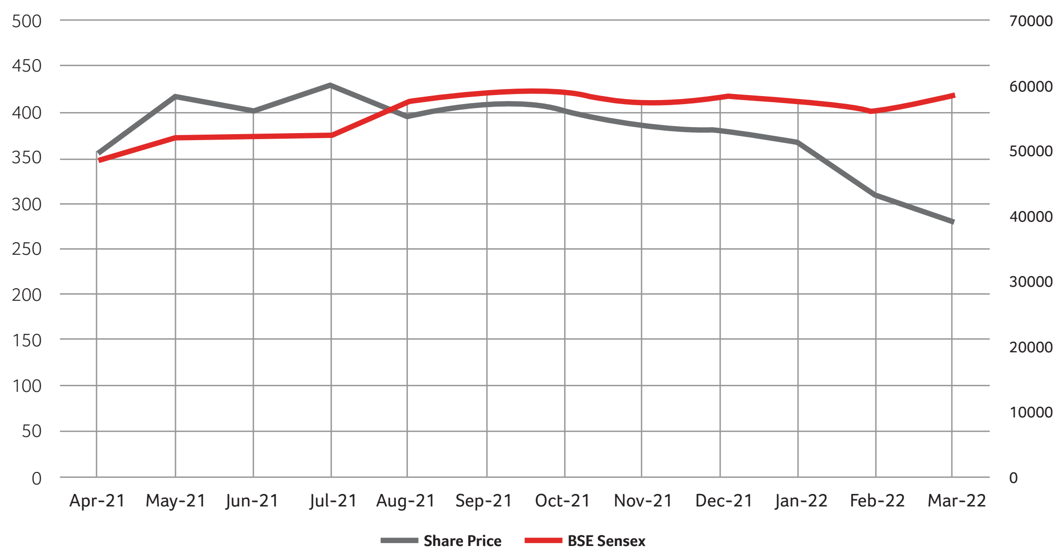
(Amt in ₹)

Financial year		**NSE**			**BSE**	
2021-22	**High**	**Low**	**Close**	**High**	**Low**	**Close**
April-21	374.45	337.7	358.65	374.5	331	355.8
May-21	435.5	351	416.95	435	350.15	419.25
June-21	451.7	395.1	403.35	451.6	395	401.9
July-21	464.1	398.5	428.35	464.15	397.05	429.05
August-21	438	381.8	396.95	438	382.75	395.3
September-21	427.95	388	412.35	427.5	387.55	411.65
October-21	443.1	391.1	400.7	443	391.3	402.15
November-21	427.7	375.1	384.05	428.7	373.2	385
December-21	408.5	367	378.95	408	366	381.6
January-22	387.8	355.3	366.35	388.7	355.8	366.35
February-22	370.55	290	308.8	371.95	294	309.5
March-22	326.85	278	283.35	325.95	279	280.3

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



Company's Share Price vs BSE Sensex



(x) Registrar to Issue and Transfer Agent

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

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

(xi) Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. As at 31st March, 2022, no equity shares were pending for transfer.

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

(xii) Distribution of shareholding as on March 31, 2022

Range	Shareholders		Equity shares of ₹10/- each	
(No. of shares)	No. of shareholders	Percentage (%)	No. of shares	Percentage (%)
Upto-500	1,12,383	97.10	68,66,896	11.68
501-1000	2,063	1.78	15,49,166	2.63
1001-5000	1,118	0.97	21,83,151	3.71
5001-10000	95	0.08	6,74,693	1.15
10000-above	80	0.07	4,75,41,419	80.83
Total	**1,15,739**	**100.00**	**5,88,15,325**	**100.00**

(xiii)Dematerialization of shares:

As on March 31, 2022, 100% of the equity share capital were dematerialized, except 1 shareholder who is holding 2 shares in physical form.

(xiv)Shareholding pattern as on March 31, 2022

Sl. No.	Category	No. of Shares held	%
1	Promoter and Promoter Group	3,00,38,754	51.07%
2	Public Shareholding:		
	A Institutions		
	(a) Mutual Funds	24,52,580	4.17%
	(b) Alternate Investment Funds	54,222	0.09%
	(c) Foreign Portfolio Investors	12,22,217	2.08%
	(d) Insurance Companies	17,593	0.03%
	Subtotal (A)	**37,46,612**	**6.37%**
	B Non Institutions		
	(a) Individuals	1,24,37,314	21.15%
	(b) NBFCs registered with RBI	7,84,597	1.33%
	(c) Hindu Undivided Family	3,59,202	0.61%
	(d) Foreign Companies	94,09,867	16.01%
	(e) Non Resident Indians	5,38,459	0.91%
	(f) Bodies Corporate	13,59,065	2.31%
	(g) Others	1,41,455	0.24%
Subtotal (B)		**2,50,29,959**	**42.56%**
Grand Total		**5,88,15,325**	**100.00%**

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

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

(xvi) Plant locations:

The plants of the Company are located at:

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

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

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

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

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

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

(xvii) Address of correspondence:

Shareholders' correspondence may be addressed to:

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

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

(c) Corporate Office- 1st Floor, Emaar Digital Greens Tower-A, Golf Course Extension Road, Sector 61, Gurugram, Haryana-122102

(xviii) Credit ratings:

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

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

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

7. CODE OF BUSINESS CONDUCT & ETHICS

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

All members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for Board and senior management for the financial year 2021-2022. The declaration to this effect signed by Mr. Anoop Bector, Promoter & Managing Director of the Company, is annexed to this report as Annexure 'A'. The Code of Conduct for employees and the Board and senior management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

8. OTHER DISCLOSURES

a. Compliances with Governance Framework

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

b. Related Party Transactions

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

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

As required under Regulation 23(1) of the listing regulations, the Company has formulated a policy on related party transactions and the same is available on the Company's website and can be accessed at http://www.bectorfoods.com/panel/uploads/investor/09302021075757MBFSL-PolicyonMaterialityofRPT.pdf

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

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

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

d. Whistle Blower Policy / Vigil Mechanism

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

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

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

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

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

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

f. Accounting Treatment:

The financial statements of the Company for FY 2021-22 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder.

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

g. Compliance with Secretarial Standards

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

h. Insider Trading Code

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

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

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

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

http://www.bectorfoods.com/panel/uploads/investor/09302021075604MBFSL-PolicyforDeterminingMaterialSubsidiaries.pdf

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

http://www.bectorfoods.com/panel/uploads/investor/09302021075757MBFSL-PolicyonMaterialityofRPT.pdf

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

l. There was no such instance during FY 2021-2022 when the Board had not accepted any recommendation of any committee of the Board.

m. Certificate from PCS regarding disqualification of Directors:

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

n. **Recommendations of committees of the Board**

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

o. **Fees to Statutory Auditors**

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

(₹ in million)

Name of Company or its subsidiaries obtaining service	Name of Statutory Auditor	Payment to auditors in the year 2021-22	Payment to auditors in the year 2020-21
Mrs. Bectors Food Specialities Limited	M/s. BSR & Co. LLP, Chartered Accountants	6.67	5.88*
Bakebest Foods Private Limited	M/s. BSR & Co. LLP, Chartered Accountants	0.57	0.57

*Payment made to auditors mentioned above is exclusive of the payment made to auditors for IPO.

9. DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS 2015

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The corporate governance report of the Company for the year 2021-22 or as on March 31, 2022 are in compliance with the applicable requirements of SEBI as per listing regulations.

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

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

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

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

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

10. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENT

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

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

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

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

Place: Phillaur
Date: 09.08.2022

MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all Board members and senior management personnel of the Company (as defined in the above said regulations) have affirmed compliance with the Code of Conduct for Board of Directors and senior management personnel' for the year ended 31st March, 2022.

Sd/-
Anoop Bector
Managing Director

Place: Phillaur
Date: 09.08.2022

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

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

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

We have examined the compliance of the conditions of Corporate Governance **by Mrs. Bectors Food Specialities Limited** ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

For **JPM & Associates LLP**
Companies Secretaries
Peer Review Cert. No. 1903/2022
Sd/-
CS Pankaj Malhotra
Designated Partner
M.No. 11481 | CP No. 18710
LLP ID: L2020PB007800
UDIN: F011481D000559006

Place: Ludhiana
Date: July 04, 2022

MD / CFO CERTIFICATE

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

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

1. We have reviewed financial statements and the cash flow statement of Mrs. Bectors Food Specialities Limited for the year ended on 31st March, 2022 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit committee:-
   i. that there are no instances of significant fraud of which we have become aware.

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

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

Place: Phillaur
Date: 09.08.2022

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

Practising Company Secretaries' Certificate on Directors

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

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

We have examined the relevant registers, records, forms, returns and disclosures received the directors of **Mrs. Bectors Food Specialities Limited** having CIN **L74899PB1995PLC033417** and having registered office at **Theing Road, Phillaur, Distt. Jalandhar -144410** in (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment in Company
1	Mr. Anoop Bector	00108589	Executive Director, MD	19.09.1995
2	Mr. Subhash Aggarwal	02782473	Non- Executive, Independent Director	10.02.2017
3	Mr. Ishaan Bector	02906180	Executive Director	15.02.2016
4	Mr. Suvir Bector	08713694	Executive Director	01.04.2021
5	Mr. Parveen Kumar Goel	00007297	Executive Director	01.05.2008
6	Mr. Rajiv Dewan	00007988	Non- Executive, Independent Director	10.07.2018
7	Mrs. Pooja Luthra	03413062	Non- Executive, Independent Director	19.09.2020
8	Mr. Alok Kumar Misra	00163959	Non- Executive, Independent Director	11.02.2022
9	Mr. Rahul Goswami	07357011	Non- Executive, Nominee Director	08.12.2015*

*Mr. Rahul Goswami (DIN: 07357011), Non-Executive, Nominee Director of the Company resigned on October 05, 2021.

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

For **JPM & Associates LLP**
Company Secretaries
Peer Review Cert. No. 1903/2022
Sd/-
CS Pankaj Malhotra
Designated Partner
M.No. 11481 | CP No. 18710
LLP ID: L2020PB007800
UDIN: F011481D000558918

Place: Ludhiana
Date: July 04, 2022

Business Responsibility Report

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

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company:	L74899PB1995PLC033417
2	Name of the Company:	Mrs. Bectors Food Specialities Limited
3	Registered Address	Theing Road, Phillaur, Punjab-144410
4	Website	www.bectorfoods.com
5	E-mail ID	atul.sud@bectorfoods.com
6	Financial Year Reported	1st April, 2021 to 31st March, 2022
7	Sector(s) that the Company is engaged in (Industrial activity Code wise):	Food Products
	NIC Code	1071
	Product Description	Biscuits and Bakery Products
8	List three key products that the Company Manufactures (as in balance sheet)	Biscuits Bakery products
9	Total Number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (provide details of major 5)	Nil
	(b) Number of National Locations	Six manufacturing facilities at Phillaur and Rajpura in Punjab, Thaliwal in Himachal Pradesh, Noida in Uttar Pradesh, Khopoli in Maharashtra and Bengaluru in Karnataka
10	Market Served by the Company-Local/State/National/ International	The Company sells its products across 26 states and 3 union territories in India and exports to 63 countries in the world

Section B: Financial Details of the Company

1	Paid-up capital (₹)	₹58,81,53,250/-
2	Total Turnover (₹)	₹9881.73 million (Consolidated)
3	Total profit after taxes (₹)	₹571.43 million (Consolidated)
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	₹12.42 million as per Section 135 of the Companies Act, 2013, equivalent to 2.00% of Average Net Profit of the Company for last 3 financial years.
5	List of activities in which expenditure in 4 above has been incurred:-	Please refer to Annexure B (CSR Annual Report) of Board's Report for details

Section C: Other Details

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

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

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

   The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, the Company has a long-lasting relationship with its suppliers/vendors, and they are encouraged to adopt such practices and follow the concept of being a responsible business.

4. If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   Not applicable.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

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

(b) Details of the BR head

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

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

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

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

(a) Details of compliance

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

Notes:-

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

(b) Governance related to BR

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

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes, the BR report for FY22 is part of the Annual Report, which is available on the website of the Company www.bectorfoods.com. It is published annually as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

Section E: Principle-wise Performance

Principle 1: Ethics, Transparency and Accountability

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

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

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

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

   During FY 21-22, the Company received few complaints related to IPO, Dividend etc, which the Company has satisfactorily resolved, and no investor grievance was pending as on March 31, 2022.

Principle 2: Product Life Cycle Sustainability

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

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

   (a) Biscuits

   (b) Breads and bakery products

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

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

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

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

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

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

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

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

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.
   Your Company implemented innovative ways of reducing the resources used for the products' packaging. The focus was on using lighter, stronger and better materials that have a lower environmental impact. Your Company is committed towards sustainable

environment with special focus on plastic waste management, paving the way to build a healthier society. The waste water generated in the facilities is recycled through the sewage treatment plans and treated water is utilised for gardening purposes.

Principle 3: Employee well being

1	Please indicate the Total number of employees	2,497	
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	2,537	
3	Please indicate the Number of permanent women employees	481	
4	Please indicate the Number of permanent employees with disabilities	-	
5	Do you have an employee association that is recognized by management	-	
6	What percentage of your permanent employees is members of this recognized employee association?	NA	
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:		
	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	Child labour/forced labour/involuntary labour	Nil	Nil
	Sexual harassment	Nil	Nil
	Discriminatory employment	Nil	Nil
8	What percentage of your under-mentioned employees were given safety training in the last year?		
	(a) Permanent Employees	100%	
	(b) Permanent Women Employees	100%	
	(c) Casual/ Temporary/ Contractual Employees	100%	
	(d) Employees with Disabilities	Nil	

Principle 4: Stakeholder Engagement

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

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

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

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

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

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

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

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

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

Principle 5: Human Rights

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

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

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

   During the year 2021-22, the Company did not receive any complaint with regard to human rights.

Principle 6: Environment

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

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

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

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

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

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

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   The Company adheres to all rules, regulations, standards framed by Central Pollution Control Board ("CPCB") and State Pollution Control Board ("SPCB") of respective states where the Company's plants are situated. Compliances of these rules, regulations and standards are being checked by internal auditors.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment. The details of initiatives taken for conservation of energy are given in Annexure-A to the Board's Report and the same is disclosed on the website of the Company.

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

   Yes.

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

   Nil

Principle 7: Policy Advocacy

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

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

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):

   Yes. The Company engages with government, regulatory authorities and relevant public bodies in areas which include food regulations, environment and plastic packaging, amongst others.

Principle 8: Inclusive Growth

1. Does the Company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

   Yes. Our CSR activities are basically in the areas of environment sustainability in rural areas and education. The contribution and the work undertaken by the implementing agencies is available in the Annual Report on CSR activities annexed as Annexure-B to the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   Projects are undertaken through in-house teams and in partnership with Mrs. Bectors Foundation that share our ambition towards creating inclusive growth.

3. Have you done any impact assessment of your initiative?

   Yes. Need and outcome assessments at grassroots level are conducted at regular intervals to evaluate and continually improve efficiency in programme implementation and outcomes.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   ₹12.42 million as per Section 135 of the Companies Act, 2013. For more details, please refer to Annexure-B to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes. The sustainability and CSR initiatives are also periodically reviewed by the senior management and the CSR committee of the Board. The feedback provides the basis for which the deployment of programmes is continuously improved.

Principle 9: Customer/ Consumer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   As on the end of 2022, the Company has no pending consumer complaints.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

   Yes. The Company is committed to providing products and services that offer best-in-class quality. With a continually growing product portfolio, the Company endeavours to use sustainably sourced ingredients. The Company adopts stringent hygiene standards, benchmarked manufacturing practices and robust quality assurance systems for its products and the declared product shelf-life is determined based on applicable regulations.

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

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

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   None.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   The Company carries out consumer surveys to understand consumer feedback, product satisfaction and preference from time to time.

Independent Auditors' Report

To
The Members of
Mrs. Bectors Food Specialities Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mrs. Bectors Food Specialities Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended,and notes to the standalone financial statements,including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

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

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and services is recognized when control in goods is transferred to the customer and when the services are completed, and is measured net of rebates, discounts and returns. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. We focused on this area since there is a risk that revenue may be overstated because of fraud,resulting due to the pressure from Management and Board of Directors who may strive to achieve performance targets. Also,revenue is a key performance indicator for the Company which makes it susceptible to misstatement because the timing of revenue recognition requires exercise of judgement. In view of the above, we have identified risk of fraud in revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions (using random sampling). • We involved our IT specialists to assist us in testing of general IT controls and key IT application controls relating to revenue recognition. • We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded for the financial year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances and shipping documents (as applicable) to assess whether these are recognized in the appropriate period in which control is transferred or services are provided.

The key audit matter	How the matter was addressed in our audit
	• We carried out analytical procedures on revenue recognized during the year to identify unusual variances. • We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period • We tested sample manual journal entries for revenue, selected based on specified risk-based criteria to identify unusual items. • We assessed the adequacy of the disclosures made in the financial statements as per the requirement of Ind AS 115.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs,profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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

i. The Company has disclosed the impact of pending litigations as at31 March 2022 on its financial position in its standalone financial statements - Refer Note 42to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 55 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 55 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.

v. The final dividend paid by the Company during the year, which was declared in the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. As stated in Note 21 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 22094549AJUFRD4049

Place: Gurugram
Date: 28 May 2022

Annexure A referred to in clause 1 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the Members of Mrs. Bectors Food Specialities Limited on the standalone financial statements for the year ended 31 March 2022.

We report that:

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

(ii) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment (including right of use assets) by which all property, plant and equipment (including right of use assets) are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment (including right of use assets) were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows(also Refer note no 58 to standalone financial statements):

(All amounts in ₹ Million)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	(Excess)/ Shortage	Whether return/ statement subsequently rectified
30-Jun-21	ICICI Bank	Inventory	510.48	371.07	139.41	No*
		Trade Receivables	662.39	872.97	(210.58)	No*
30-Sep-21	ICICI Bank	Inventory	522.23	341.63	180.60	No*
		Trade Receivables	771.43	993.46	(222.03)	No*
31-Dec-21	ICICI Bank	Inventory	521.28	370.18	151.10	No*
		Trade Receivables	796.39	1,000.67	(204.28)	No*
31-Mar-22	ICICI Bank	Inventory	681.14	682.26	(1.12)	No*
		Trade Receivables	665.81	677.67	(11.86)	No*

* The Company submits summary of Inventory and receivables position (stock statements) on monthly basis to ICICI Bank by 15th to 20thof the next month, which is required as per the terms and conditions of the sanction letter. The difference between stockstatements and financial statement arise since stock statements are prepared before adjusting certain items of inventory (such as stock in transit, valuation of inventory and provision) and debtors (such as stock in transit, unbilled revenue and claims provision).

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to the companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted loans to its employees during the year. The requisite information on loans to employees is stated in paragraph (iii) (a) below. Except as stated above, the Company has not made any investments or granted any loans, secured or unsecured, to Companies, firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loan, stood guarantee, or provided security to any entity except as mentioned below:

Particulars	Guarantees	Security	Non-Interest Bearing Loans to employees (Amount in ₹ Million)	Advances in nature of loans
Aggregate amount of loans granted during the year to employees	-	-	11.67	-
Balance outstanding as at balance sheet date with employees	-	-	4.67	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year and the terms and conditions of loans granted during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of Non- Interest bearing Loans given to employees, in our opinion, there is no stipulation of schedule of repayment of principal and accordingly we are unable to comment on the regularity of repayment of principal.

Particulars	Amount given during the year (in ₹ Million)	Closing Balance at the balance sheet date (in ₹ Million)	Remarks
Non-Interest Bearing Loans to employees	11.67	4.67	There is no stipulation of schedule of repayment of principal.

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of Non-Interest bearing Loans to employees of ₹ 11.67 million given to employees during the year (Closing Balance ₹ 4.67 million), the schedule for repayment of principal have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013 “the Act”. In respect of the investments made by the Company, in our opinion the provisions of section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases of income tax, Provident Fund, Employees' State Insurance and professional tax.

According to the information and explanations given to us, and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

(b) According to the information and explanations given to us and on the basis of the examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the Dues	Amount disputed*	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
Punjab Value Added Tax Act, 2005	Sales tax	2.37 3.75	- -	2008-09 2009-10	Deputy Excise and Taxation Commissioner, Ludhiana
Punjab Tax on Entry of Goods into Local Area Act, 2000	Entry tax	1.69	-	2011-12	Punjab and Haryana High Court, Chandigarh
Himachal Pradesh Value Added Tax Act, 2005	Sales tax	3.01 0.08 0.01 0.02 0.06	-	2005-06 2009-10 2010-11 2011-12 2012-13	VAT Tribunal of Himachal Pradesh
Himachal Pradesh Value Added Tax Act, 2005	Sales tax	4.83	-	2006-07	Deputy Excise and Taxation Commissioner, Palampur
Uttar Pradesh Value Added Tax Act, 2008	Sales tax	1.91 1.59 0.09 0.16	-	2013-14 2014-15 2016-17 2017-18	Deputy Excise and Taxation Commissioner, Gautam Budh Nagar
Delhi Value Added Tax Act, 2004	Sales tax	0.12 0.82 0.15	-	2011-12 2012-13 2013-14	Assistant Commissioner of State Tax, Delhi
Income Tax Act,1961	Income Tax	5.73 6.05 0.13 1.83 0.18 28.89 7.07	5.73# 6.05	2007-08 (A.Y.) 2009-10 (A.Y.) 2011-12 (A.Y.) 2013-14 (A.Y.) 2015-16 (A.Y.) 2017-18 (A.Y.) 2018-19 (A.Y.)	Commissioner of Income Tax (Appeals), Ludhiana

*amount as per demand orders including interest and penalty, wherever indicated in order.

#adjusted against refund dues.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or its associate as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or its associate (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.However, proceeds from issue of equity shares amounting to ₹ 263.36 million which were received during the year ended 31 March 2021, remain unutilised as at 31 March 2022 and are included in investments (current) and other bank balances. Also refer to Note 54to the financial statements.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Acthas been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalonefinancial statements as required by the applicable accounting standards

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) he Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 60 (V) to the financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 22094549AJUFRD4049

Place: Gurugram
Date: 28 May 2022

Annexure Bto the Independent Auditors'report on the standalone financial statements of Mrs. Bectors Food Specialities Limitedfor the period ended 31 March 2022

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

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

Opinion

We have audited the internal financial controls with reference to financial statements ofMrs. Bectors Food Specialities Limited ("the Company") as of31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 22094549AJUFRD4049

Place: Gurugram
Date: 28 May 2022

Balance Sheet as at 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,617.12	3,178.49
Capital work-in-progress	4	117.58	552.74
Right-of-use assets	5	192.32	142.01
Other intangible assets	6	1.62	0.41
Financial assets			
(i) Investments in subsidiaries	7	185.00	182.00
(ii) Equity accounted investment	8	19.69	17.09
(iii) Other financial assets	9	37.12	33.62
Income tax assets (net)	10	37.74	25.44
Other non-current assets	11	95.66	70.37
Total non-current assets		**4,303.85**	**4,202.17**
Current assets			
Inventories	12	768.00	556.03
Financial assets			
(i) Investments	13	64.87	61.71
(ii) Trade receivables	14	711.46	675.83
(iii) Cash and cash equivalents	15	313.73	312.62
(iv) Bank balances other than (iii) above	16	470.59	449.52
(v) Loans	17	4.67	-
(vi) Other financial assets	18	178.38	253.57
Other current assets	19	142.89	88.33
Total current assets		**2,654.59**	**2,397.61**
Total assets		**6,958.44**	**6,599.78**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	588.15	587.47
Other equity	21	3,896.86	3,556.96
Total equity		**4,485.01**	**4,144.43**
Liabilities			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	22	880.28	1,148.30
(ii) Lease liabilities	5	58.76	9.80
Provisions	23	60.21	69.53
Deferred tax liabilities (net)	24	91.45	84.40
Other non-current liabilities	25	85.33	104.33
Total non-current liabilities		**1,176.03**	**1,416.36**
Current liabilities			
Financial liabilities			
(i) Borrowings	26	408.20	156.68
(ii) Lease liabilities	5	11.19	5.58
(iii) Trade payables	27		
(a) Total outstanding dues of micro enterprises and small enterprises		75.52	46.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		461.16	505.02
(iv) Other financial liabilities	28	81.91	97.18
Other current liabilities	29	221.61	183.03
Provisions	30	37.38	29.89
Current tax liabilities (net)	31	0.43	15.47
Total non-current liabilities		**1,297.40**	**1,038.99**
Total liabilities		**2,473.43**	**2,455.35**
Total equity and liabilities		**6,958.44**	**6,599.78**
Significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector
Managing Director
DIN: 00108589
Place: Phillaur
Date: 28 May 2022

Ishaan Bector
Director
DIN: 02906180
Place: Mumbai
Date: 28 May 2022

Atul Sud
Company Secretary
M. No: F10412
Place: Phillaur
Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297
Place: Phillaur
Date: 28 May 2022

Statement of Profit and Loss for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 20221
INCOME			
Revenue from operations	32	9,235.80	8,377.69
Other income	33	105.96	98.36
Total income		**9,341.76**	**8,476.05**
Expenses			
Cost of materials consumed	34	5,030.34	4,466.14
Purchase of stock-in-trade	35	156.13	6.30
Changes in inventories of finished goods, stock-in- trade and work-in-progress	36	(3.60)	(67.73)
Employee benefits expense	37	1,288.04	1,200.98
Finance costs	38	70.59	95.20
Depreciation and amortisation expense	39	427.54	419.37
Other expenses	40	1,679.44	1,445.02
Total expenses		**8,648.48**	**7,565.28**
Profit before tax		**693.28**	**910.77**
Tax expense	24		
Current tax		153.94	215.52
Deferred tax		4.41	17.05
		158.35	**232.57**
Profit for the year (A)		**534.93**	**678.20**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		10.49	(0.81)
Income tax relating to items that will not be reclassified to profit or loss			
Income tax relating to remeasurement of defined benefit plans		(2.64)	0.20
Total other comprehensive income/ (loss) for the year (B)		**7.85**	**(0.61)**
Total comprehensive income for the year (A + B)		**542.78**	**677.59**
Earnings per equity share [nominal value of ₹10 (previous year ₹ 10)]	41		
Basic		9.10	11.76
Diluted		9.10	11.75
Significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

For and on behalf of the Board of Directors of
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Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297
Place: Phillaur
Date: 28 May 2022

Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	58,746,514	587.47	57,267,922	572.68
Share based option exercised during the year	68,811	0.69	70,000	0.70
Shares issued during the year	-	-	1,408,592	14.09
Balance at the end of the year	**58,815,325**	**588.15**	**58,746,514**	**587.47**

(b) Other equity

Particulars	Note	Reserves & surplus: Share options outstanding account	Capital reserve	Securities premium	Retained earnings	Total
Balance at 1 April 2020		**8.33**	**14.37**	**243.92**	**2,231.73**	**2,498.35**
Profit for the year		-	-	-	678.20	678.20
Other comprehensive (loss) / income for the year*	21 c	-	-	-	(0.61)	(0.61)
Total income for the year		**-**	**-**	**-**	**677.59**	**677.59**
Shares issued during the year	21 b	-	-	391.31	-	391.31
Utilised for IPO expenses		-	-	(22.71)	-	(22.71)
Share based expense	21 d	0.90	-	-	-	0.90
Employee stock option exercised during the year	21 d	(4.34)		15.86	-	11.52
Balance at 31 March 2021		**4.89**	**14.37**	**628.38**	**2,909.32**	**3,556.96**
Profit for the year		-	-	-	534.93	534.93
Other comprehensive (loss) / income for the year*	21 c	-	-	-	7.85	7.85
Total comprehensive income for the year		**-**	**-**	**-**	**542.78**	**542.78**
Share based expense	21 d	0.43	-	-	-	0.43
Employee stock option exercised during the year	21 d	(5.02)	-	16.34	-	11.32
Less: Final dividend for FY 2020-21	21 c	-	-	-	(141.11)	(141.11)
Less: Interim dividend for FY 2021-22	21 c	-	-	-	(73.52)	(73.52)
Balance at 31 March 2022		**0.30**	**14.37**	**644.72**	**3,237.47**	**3,896.86**

* Represents remeasurement of defined benefit plans (net of tax).

Significant accounting policies 2

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector
Managing Director
DIN: 00108589
Place: Phillaur
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Company Secretary
M. No: F10412
Place: Phillaur
Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297
Place: Phillaur
Date: 28 May 2022

Statement of Cash Flow for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 20221
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	693.28	910.77
	Non-cash adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expense	427.54	419.37
	Allowances on trade receivable and other advances	0.32	42.67
	Liabilities no longer required written back	-	(55.84)
	Amortisation of government grants	(19.70)	(23.69)
	Change in fair value of derivative contracts	(2.16)	(19.74)
	Net unrealized foreign exchange (gain)/ loss	(2.23)	8.58
	Dividend income	(45.38)	-
	Net (profit)/ loss on sale/write off of property, plant and equipment	(5.43)	0.44
	Share based payment to employees	0.43	0.90
	Finance costs	70.59	95.20
	Interest income	(34.33)	(17.22)
	Operating profit before working capital changes	**1,082.93**	**1,361.44**
	Movement in working capital:		
	(Increase) in current loans	(4.67)	-
	Decrease/ (increase) in other financial assets	71.97	(61.39)
	(Increase) in other non-current assets	(0.08)	(0.75)
	(Increase)/ decrease in other current assets	(54.56)	4.33
	(Increase) in inventories	(211.97)	(135.47)
	(Increase)/ decrease in trade receivables	(33.80)	3.61
	Increase in non current provisions	1.17	11.41
	Increase/ (decrease) in current provisions	7.49	(71.06)
	Increase in other liabilities	39.27	45.55
	(Decrease)/ increase in trade payables	(14.48)	98.22
	Increase in other financial liabilities	11.89	5.26
	Cash generated from operations	**895.16**	**1,261.15**
	Income tax paid (net of refund)	(181.28)	(207.77)
	Net cash from operating activities (A)	**713.88**	**1,053.38**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	(477.03)	(799.66)
	Purchase of intangible assets	(1.52)	-
	Proceeds from sale of property, plant and equipment (including capital work-in-progress)	10.88	12.03
	Purchase of invesments	(8.76)	(61.71)
	Net investments in bank deposits (having original maturity of more than three months)	(20.96)	(393.68)
	Dividend income	45.38	-
	Interest received	36.10	14.46
	Net cash used in investing activities (B)	**(415.91)**	**(1,228.56)**

Statement of Cash Flow for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 20221
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of equity shares (including securities premium)	-	405.40
	Proceeds from exercise of employee stock option (including securities premium)	12.01	12.22
	Share premium utilised for IPO expenses	-	(22.71)
	Proceeds from non-current borrowings *	142.09	521.33
	Repayments of non-current borrowings *	(260.06)	(380.01)
	Proceeds/ (repayments) of current borrowings (net)	101.47	(147.99)
	Payment of lease liabilities (including interest on lease liabilities)**	(10.66)	(11.63)
	Finance costs paid	(67.21)	(91.78)
	Final dividend paid for FY 2020-21	(140.98)	-
	Interim dividend paid for FY 2021-22	(73.52)	-
	Net cash used in financing activities (C)	**(296.86)**	**284.83**
	Net increase in cash and cash equivalents (A+B+C)	**1.11**	**109.65**
	Cash and cash equivalents at the beginning of the year	312.62	202.97
	Cash and cash equivalents at the end of the year	**313.73**	**312.62**
	Notes:		
	1. Cash and cash equivalents include		
	Balance with banks		
	- in current accounts	147.72	176.86
	- deposits with origianl maturity of less than three months	164.81	134.43
	Cash on hand	1.20	1.33
		313.73	**312.62**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector
Managing Director
DIN: 00108589

Place: Phillaur
Date: 28 May 2022

Ishaan Bector
Director
DIN: 02906180

Place: Mumbai
Date: 28 May 2022

Atul Sud
Company Secretary
M. No: F10412

Place: Phillaur
Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297

Place: Phillaur
Date: 28 May 2022

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

1. Reporting entity

Mrs. Bectors Food Specialities Limited referred to as “the Company” is domiciled in India. The Company’s registered office is at Theing Road, Phillaur-144410, Punjab, India. The Company is engaged in the business of manufacturing and distribution of food products. The Company caters to both domestic and export markets. During the previous year, the equity shares of the Company have been listed on BSE Limited and The National Stock Exchange of India Limited.

2. Significant Accounting Policies

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

a) Basis and purpose of preparation

i) Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements of the Company for the year ended 31 March 2022 were approved for issue by the Company’s Board of Directors on 28 May 2022.

ii) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees, which is the Company’s functional currency. All amounts have been rounded to the nearest million, upto two places of decimal, unless otherwise stated.

iii) Basis of measurement

The standalone financial statements have been prepared under the historical cost basis except for the following:

- Defined benefit liability/(assets): Fair value of the plan assets less present value of defined benefit obligations
- Certain financial assets and liabilities (including derivative instruments): measured at fair value

Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in note 49- Financial instruments.

iv) Use of judgments and estimates

In preparing these standalone financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the standalone financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

Judgements

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements have been given below:

- Note 49- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;

- Note 5and 44- leases classification and assessment of discount rate in relation to lease accounting as per Ind AS 116

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for the period ended is included below:

- Note 3&5- useful life and residual value of property, plant and equipment and intangible assets;
- Note 46 - measurement of defined benefit obligations: key actuarial assumptions.
- Note 48 - fair value of share-based payments;
- Note 42- Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 49- impairment of financial assets;
- Note 2(l) &49 - Fair value measurement of financial instruments.
- Note 2(m) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 12 – Valuation of inventories
- Note 2(h),25& 29– Accounting for Government grant

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

- Note 2(n)& 24- recognition of tax expense including deferred tax, availability of future taxable profits against which tax losses carried forward can be used

v) Current and non-current classification

The Company presents assets and liabilities in the standalone financial statements based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- t is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in itssettlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

b) Property, plant and equipment

Recognition and measurement

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

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

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

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Major machinery spares parts are classified as property, plant and equipment when they are expected to be utilized over more than one period. Other spares are carried as inventory and recognised in the Standalone Statement of Profit and Loss as and when consumed.

Any gain or loss on disposal of property, plant and equipment is recognised in Standalone Statement of Profit and Loss.

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’.

The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Standalone Statement of Profit and Loss. Assets held for sale, that meets the criteria of Ind AS 105 are reported at the lower of the carrying value or the fair value less cost to sell.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

Subsequent Measurement

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Standalone Statement of Profit and Loss when incurred.

Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight line basis using the rates based on the useful lives prescribed as per Part C of schedule II, of the Companies Act 2013 except in case of certain plant and equipment such as moulds, crates and pallets where the management has assessed useful life as 3 years based on internal technical evaluation, and is recognised in the Standalone Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on items of property, plant and equipment is provided as per the rates corresponding to the useful life specific in Schedule II of the Companies Act, 2013 read with notification dated 29 August 2014 of Ministry of Corporate Affairs as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II
Building	30 years	30 years
Plant and machinery	3 to 25 years	3 to 25 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computer	3 to 6 years	3 to 6 years

Significant components of assets and their useful life and depreciation charge is based on an internal technical evaluation. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Derecognition

A property, plant and equipment isderecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone Statement of Profit and Loss.

c) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Standalone Statement of Profit and Loss as incurred.

Estimated useful life of the software is considered as 5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each period/ year and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Standalone Statement of Profit and Loss when the asset is derecognized.

Advances paid towards acquisition of intangible assets outstanding at each period end date, are shown under other non-current assets and cost of assets not ready for intended use before the period end, are shown as intangible asset under development.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

d) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Standalone Statement of Profit and Loss.

e) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily takes substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

f) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets

The Plan is funded with an Insurance Company in the form of insurance policy. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Standalone Statement of Profit and Loss .

Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit or Loss in the period in which they occur.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

g) Revenue

i. Sale of goods

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured attransaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses, or a reasonable estimate can be made.

Rendering of services

Revenue in respect of sale of services is recognised on an accrual basis in accordance with the terms of the relevant agreements.

ii. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

iv. Right of return

Company provides a customer with a right to return on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

h) Government grants and subsidies

Government grants for capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant, they are then recognised in Standalone Statement of Profit and Loss as other income on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense on a systematic basis in the periods in which such expenses are recognized.

Export Incentives

Export incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

i) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

a) the gross carrying amount of the financial asset; or

b) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income

Dividend income is recognised when the Company's right to receive the dividend is established which is generally when shareholders approve the dividend.

j) Inventories

Inventories are measured at the lower of cost and net realizable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials, packing materials andstores and spares	Weighted average method
Traded goods	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average cost and includes an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

k) Provisions, contingent liabilities and contingent assets, Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Expected future losses are not provided for.

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the standalone financial statements but disclosed where an inflow of economic benefit is probable.

Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

Financial assets

i) Initial recognition and measurement

The Company initially recognises financial assets on the date on which they are originated. The Company recognises the financial assets on the trade date, which is the date on which the Company becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss

ii) Classifications and subsequent measurement

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instrument at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value though Profit and Loss (FVTPL):

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from Expected Credit Losses (ECL) impairment are recognised in the profit or loss.

Debt instrument at fair value through Profit and Loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

Equity instruments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value.

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

Investments in Subsidiaries and Associate:

Investments in Subsidiaries and Associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

iii) Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

ii) Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities are amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

iii) Derecognition of financial liabilities

The Companyderecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

m) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

n) Income taxes

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates.

i. Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Standalone Statement of Profit and Loss , except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

o) Leases

Leases under Ind AS 116

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company's lease asset classes primarily consist of leases for buildings and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

The Company elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone Statement of Profit and Loss .

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Standalone Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Standalone Statement of Profit and Loss .

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

As lessor

Leases in which the Company transfer substantially all the risks and benefits of ownership of the assets are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the standalone statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the standalone statement of profit and loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating lease are included in Property, plant and equipment. Lease income on an operating income is recognized in the standalone statement of profit and loss on a straightline basis over lease term. Costs, including depreciation, are recognized as an expense in the standalone statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the standalone statement of profit and loss.

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risk and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policies applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating lease) are not recognised in the Company's Balance Sheet.

Lease Payments

Payments made under operating leases are generally recognised in the Standalone Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognised as an integral part of the total lease expense over the term of the lease.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief operating decision maker by the management of the Company. Refer note 43 for segment information presented.

q) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

r) Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to berecoverable from selling shareholders and are classified as IPO expenses recoverable under other current financial assets.

s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

t) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

u) Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v) Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

w) Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

x) Recent pronouncements

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment(PPE) – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.

- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/ associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.

- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.

- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

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

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Disposals/ adjustments during the year	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals/ adjustments during the year	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
Own assets										
Freehold land	162.93	19.99	-	182.92	-	-	-	-	162.93	182.92
Leasehold improvements	-	3.18	-	3.18	-	0.19	-	0.19	-	2.99
Buildings @	1,247.23	41.43	-	1,288.66	163.69	43.17	-	206.86	1,083.54	1,081.80
Plant and machinery #	3,057.95	762.15	27.16	3,792.94	1,233.52	347.59	21.69	1,559.42	1,824.43	2,233.52
Furniture and fixtures	43.79	2.28	-	46.07	19.28	4.47	-	23.75	24.51	22.32
Vehicles	109.99	19.06	4.68	124.37	45.14	12.18	4.33	52.99	64.85	71.38
Office equipment	27.05	6.46	-	33.51	15.28	4.18	-	19.46	11.77	14.05
Computer	20.99	5.33	0.23	26.09	14.53	3.59	0.17	17.95	6.46	8.14
Total	**4,669.93**	**859.88**	**32.07**	**5,497.74**	**1,491.44**	**415.37**	**26.19**	**1,880.62**	**3,178.49**	**3,617.12**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposals/ adjustments during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals/ adjustments during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Own assets										
Freehold land	171.67	-	8.74	162.93	-	-	-	-	171.67	162.93
Leasehold improvements	1.09	-	1.09	-	0.99	-	0.99	-	0.10	-
Buildings @	1,240.24	6.99	-	1,247.23	121.33	42.36	-	163.69	1,118.91	1,083.54
Plant and machinery #	2,666.62	401.87	10.54	3,057.95	902.98	338.13	7.59	1,233.52	1,763.64	1,824.43
Furniture and fixtures	43.34	0.45	-	43.79	14.84	4.44	-	19.28	28.50	24.51
Vehicles	83.33	26.66	-	109.99	35.07	10.07	-	45.14	48.26	64.85
Office equipment	25.15	2.33	0.43	27.05	11.76	3.71	0.19	15.28	13.39	11.77
Computer	18.18	2.81	-	20.99	10.93	3.60	-	14.53	7.25	6.46
Total	**4,249.62**	**441.11**	**20.80**	**4,669.93**	**1,097.90**	**402.31**	**8.77**	**1,491.44**	**3,151.72**	**3,178.49**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

a) Refer note 22 and 26 for charge created on property, plant and equipment.

b) Freehold land includes land having gross block amounting to ₹ Nil (31 March 2021 ₹ 2.59) in the state of Himachal Pradesh, pending to be registered in the name of Company.

c) Vehicles includes motor cars having gross block amounting to ₹ 0.03 (31 March 2021 ₹ 0.03) and written down value amounting to ₹ 0.03 (31 March 2021 ₹0.03) are pending to be registered in the name of the Company.

d) Refer note 42 C for disclosure of capital commitments for the acquisition of property, plant and equipment.

Plant and machinery includes amount of gross value ₹ 1,575.80 (31 March 2021 ₹ 1,524.65), net value of ₹919.45 (31 March 2021 ₹ 1,025.80) which are partially given under lease arrangement. Also refer note – 32.

@ Buildings includes amount of gross value ₹ 565.71 (31 March 2021 ₹ 565.68), net value of ₹ 479.18 (31 March 2021 ₹ 498.95) which are partially given under lease arrangement. Also refer note – 32.

4. Capital work-in-progress

Particulars	As at 1 April 2021	Additions	Capitalised during the year	As at 31 March 2022
Capital work-in-progress*	552.74	332.83	767.99	117.58

Particulars	As at 1 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Capital work-in-progress*	59.46	845.98	352.70	552.74

Capital work in progress (CWIP) ageing schedule

As at 31 March 2022

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress					
Rajpura (New biscuit line)	87.90	-	-	-	87.90
Noida (Sour Dough)	15.13	-	-	-	15.13
Misc projects lying at various locations	6.48	7.44	0.63	-	14.55
Total	**109.51**	**7.44**	**0.63**	**-**	**117.58**

As at 31 March 2021

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress					
Noida (Bun and bakery line)	512.75	23.72	4.88	-	541.35
Misc projects lying at various locations	10.76	0.63	-	-	11.39
Total	**523.51**	**24.35**	**4.88**	**-**	**552.74**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

*Detail of preoperative expenses included in CWIP	As at 31 March 2022	As at 31 March 2021
Opening for the year	18.09	5.21
Additions as per statement of profit and loss during the year		
- Interest and processing charges # (Refer note 38)	20.23	24.12
- Bank charges (Refer note 40)	0.01	0.18
- Power & fuel (Refer note 40)	1.31	1.07
- Employee benefits expense (Refer note 37)	1.55	-
- Legal & professional expense (Refer note 40)	0.06	-
- Travelling and conveyance (Refer note 40)	0.50	0.91
- Miscellaneous expenses (Refer note 40)	1.65	0.29
Subtotal	**25.31**	**26.57**
Less:- Capitalised to respective property, plant and equipment	39.40	13.69
Closing for the year	**4.00**	**18.09**

Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation relating to general borrowings is ₹ 8.70 at 6% to 7% (31 March 2021 ₹ 4.48 at 8.75%).

5. Right-of-use assets and lease liabilities :

Information about leases for which the Company is a lessee is presented below :

Particulars	Category of Right-of-use assets		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2021	137.10	4.91	142.01
Addition/reclassification of leases	-	62.17	62.17
Depreciation charge for the year	(1.59)	(10.27)	(11.86)
Balance as on 31 March 2022	**135.51**	**56.81**	**192.32**

Particulars	Category of Right-of-use assets		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2020	136.98	16.02	153.00
Addition/reclassification of leases	1.71	-	1.71
Depreciation charge for the year	(1.59)	(9.75)	(11.34)
Deletions for terminated leases	-	(1.36)	(1.36)
Balance as on 31 March 2021	**137.10**	**4.91**	**142.01**

The aggregate depreciation expense on ROU assets amounting to ₹ 11.86 (31 March 2021 ₹ 11.34) is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year.

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	15.38	26.81
Addition for new leases	62.17	-
Accredition of interest	3.06	1.64
Payment of lease liabilities	(10.66)	(11.63)
Deletions for terminated leases	-	(1.44)
Balance at the end	**69.95**	**15.38**

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Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

As at balance sheet date, the Company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2022	As at 31 March 2021
Maturity analysis – contractual undiscounted cash flows		
Less than one year	15.24	6.39
After one year but not longer than five years	44.35	3.24
More than five years	90.45	74.46
Total	**150.04**	**84.09**

	As at 31 March 2022	As at 31 March 2021
Current	11.19	5.58
Non- current	58.76	9.80
Total	**69.95**	**15.38**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company incurred ₹ 21.71 (31 March 2021 ₹18.99) during the year towards expenses relating to short-term leases for which the recognition exemption has been applied (Refer note 40).

The total cash outflow for leases (including short term leases) is ₹ 32.37 (31 March 2021 ₹ 30.62) during the year.

6. Other intangible assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deletions	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
Computer	27.56	1.52	-	29.08	27.15	0.31	-	27.46	0.41	1.62
Total	**27.56**	**1.52**	**-**	**29.08**	**27.15**	**0.31**	**-**	**27.46**	**0.41**	**1.62**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Deletions	As at 31 March 2021	As at 1 April 2021	Charge for the year	Deletions	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
Computer	27.56	-	-	27.56	21.43	5.72	-	27.15	6.13	0.41
Total	**27.56**	**-**	**-**	**27.56**	**21.43**	**5.72**	**-**	**27.15**	**6.13**	**0.41**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

7 Investments in subsidiaries*

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted equity shares at cost		
18,150,000 (31 March 2021: 18,150,000) equity shares of ₹ 10/- each fully paid up of Bakebest Foods Private Limited	181.50	181.50
50,000 (31 March 2021: 50,000) equity shares of ₹10/- each fully paid up of Mrs. Bectors English Oven Limited	0.50	0.50
1 (31 March 2021: Nil) equity share of ₹ 3,000,000/- each fully paid up of Mrs. Bectors Food International (FZE)	3.00	-
	185.00	**182.00**

*Also refer note 13.

8 Equity accounted investment*

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted investment in equity share at cost*		
260,000 (31 March 2021: Nil) equity shares of ₹10/- each fully paid up of Solarstream Renewable Services Private Limited	2.60	-
Investment in associate		
Quoted investment in equity share at cost#*		
1,937,268 (31 March 2021: 1,937,268) equity shares of ₹10/- each fully paid up of Cremica Agro Foods Limited @	17.09	17.09
	19.69	**17.09**

Listed on Metropolitan Stock Exchange on 16 July 2018.

*Also refer note 13.

9 Other non-current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with maturity of more than 12 months		
Margin money deposit*	-	0.11
Security deposits	37.12	33.51
	37.12	**33.62**

*Margin money deposits with carrying amount of ₹ 0.00 (31 March 2021 ₹ 0.11) are subject to first charge to secure the Company's inland letter of credit and bank guarantees.

10 Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for tax)	37.74	25.44
	37.74	**25.44**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

11 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	1.12	1.04
Capital advances	94.54	69.33
	95.66	**70.37**

12 Inventories
(valued at the lower of cost and net realisable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw material and packing material	475.53	265.23
Work-in-progress	1.46	1.41
Finished goods - Manufactured goods (including stock in transit ₹117.88 (31 March 2021 ₹128.07))*	262.84	259.29
Stores and spares	28.17	30.10
	768.00	**556.03**

*The write-down of inventories to net realisable value during the year amounted to ₹3.51 (31 March 2021 ₹3.70) and are included in changes in inventories of finished goods and work-in-progress.

13 Current investments

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with financial institution-unquoted		
- 5.20%-5.30% (31 March 2021 : 5.20%) deposit with Housing Development Finance Corporation Limited	64.87	61.71
	64.87	**61.71**
Unquoted		
Aggregate book value	252.47	243.71
Aggregate market value	Nil	Nil
Aggregate amount of impairment in value of investments	Nil	Nil
Quoted		
Aggregate book value	19.69	17.09
Aggregate market value	*	*
Aggregate amount of impairment in value of investments	Nil	Nil

* Not traded since the date of listing.

14 Trade receivables
(Unsecured, considered good, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables*	775.19	760.63
Less: Loss allowance**	(63.73)	(84.80)
	711.46	**675.83**
Break-up of trade receivables:		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	712.90	677.47
Trade receivables which have significant increase in credit risk	43.49	64.99
Trade receivables – credit impaired	18.80	18.17
Total	**775.19**	**760.63**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Less: Expected credit loss allowance		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	(1.44)	(1.64)
Trade receivables which have significant increase in credit risk	(43.49)	(64.99)
Trade receivables – credit impaired	(18.80)	(18.17)
Total trade receivables	**711.46**	**675.83**

*Includes dues from related parties (refer note 47)

** The Company's exposure to credit & currency risk and loss allowances related to trade receivables are disclosed in note 49 on financial instruments.

Trade receivable ageing schedule

As at 31 March 2022	Unbilled	Not Due	< 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed trade receivable - considered good	6.33	476.57	228.53	1.47	-	-	-	712.90	1.44	711.46
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	8.12	2.81	2.52	6.62	20.07	20.07	-
Undisputed trade receivable - credit impaired	-	1.10	2.52	0.88	8.95	5.35	-	18.80	18.80	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	-	5.75	7.20	2.57	7.90	23.42	23.42	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Total	**6.33**	**477.67**	**231.05**	**16.22**	**18.96**	**10.44**	**14.52**	**775.19**	**63.73**	**711.46**

As at 31 March 2021	Unbilled	Not Due	< 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed trade receivable - considered good	11.91	450.98	213.44	0.22	0.69	0.23	-	677.47	1.64	675.83
Undisputed trade receivable - which have significant increase in credit risk	-	-	3.61	4.19	4.50	32.59	1.53	46.42	46.42	-
Undisputed trade receivable - credit impaired	-	0.71	3.57	7.88	0.69	5.32	-	18.17	18.17	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	0.26	1.97	7.62	2.53	6.19	18.57	18.57	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Total	**11.91**	**451.69**	**220.88**	**14.26**	**13.50**	**40.67**	**7.72**	**760.63**	**84.80**	**675.83**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

15 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
In current account#	147.72	176.86
Cash on hand	1.20	1.33
Deposits with banks for original maturity of less than three months	164.81	134.43
	313.73	**312.62**

#Includes debit balance of working capital facility availed from HDFC Bank Limited amounting to ₹ 127.44 (31 March 2021 ₹ 52.87) and from ICICI Bank Limited amounting to ₹ Nil (31 March 2021 ₹ 58.29).

16 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money deposit*	71.17	65.04
Deposits due to be matured within 12 months of the reporting date	399.42	384.48
	470.59	**449.52**

*Margin money deposits with carrying amount of ₹ 71.17 (31 March 2021 ₹ 65.04) are subject to first charge to secure the Company's inland letter of credit and bank guarantees.

17 Current loans
(unsecured, considered good)

Particulars	As at 31 March 2022	As at 31 March 2021
Loan to employees	4.67	-
	4.67	**-**

18 Other current financial assets
(unsecured, considered good)

Particulars	As at 31 March 2022	As at 31 March 2021
Forward exchange contracts used for hedging	9.40	7.24
Export incentives receivable *	133.43	139.19
Security deposits	27.03	27.03
Claims receivable on export	5.02	2.08
Interest accrued but not due on fixed deposits with banks	2.48	4.25
Other advances	1.02	0.76
IPO expenses recoverable @	-	73.02
	178.38	**253.57**

@In relation to the IPO expenses incurred for the secondary sales of shares by certain shareholders of the Company during the year ended 31 March 2019, the selling shareholders at that time had confirmed that the expenses incurred by the Company till date and future expenses (including any tax reimbursements) will be reimbursed by each of them on a proportionate basis (i.e. in proportion to the respective shares sold in the offer for sale portion of the IPO by such selling shareholders). These expenses had been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. However, the said secondary sale was cancelled and the aforesaid selling shareholders bore the aforesaid IPO expenses. Management revived its Initial Public Offer (IPO) plan by way of primary and secondary sales of shares during the year ending 31 March 2021. Further, in relation to the fresh IPO expenses incurred till date and future expenses (including any tax reimbursements), the Company and the selling shareholders had confirmed that the expenses incurred by the Company were shared between the Company and the selling shareholders in proportion to the number of shares issued in case of a fresh issue or offered for sale portion of the IPO by such selling shareholders. These expenses had been approved by the selling shareholders in accordance with the agreement and such reimbursements were recovered through cashflows received from such exit. Refer note 54.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

19 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Advances recoverable in cash or kind		
-Considered good	81.87	64.93
-Consider doubtful	13.07	11.90
Less: Provision for doubtful advances recoverable in cash or kind	(13.07)	(11.90)
Prepaid expenses	16.95	12.94
Right to recover returned goods	6.48	6.40
Balances with statutory/government authorities		
- Considered good	37.59	4.06
	142.89	**88.33**

20 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
65,000,000 (As at 31 March 2021: 65,000,000) equity shares of Rs. 10/- each	650.00	650.00
Issued, subscribed and paid-up		
58,815,325 (as at 31 March 2021: 58,746,514) equity shares of Rs. 10/- each	588.15	587.47
	588.15	**587.47**

a. Terms and rights attached to equity shares

(i) The Company has issued one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

(ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding as at 1 April 2020	5,72,67,922	572.68
Shares issued during the year	14,08,592	14.09
Share based option exercised during the year	70,000	0.70
Outstanding As at 31 March 2021	**5,87,46,514**	**587.47**
Shares issued during the year	-	-
Share based options exercised during the year	68,811	0.69
Outstanding As at 31 March 2022	**5,88,15,325**	**588.15**

c. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs.10 each fully paid				
Anoop Bector	1,25,50,800	21.34%	1,25,50,800	21.36%
Anoop Bector (AB Family Trust)	59,55,462	10.13%	59,55,462	10.14%
Ishaan Bector (IB Family Trust)	47,63,111	8.10%	47,63,111	8.11%
Suvir Bector (SB Family Trust)	47,63,111	8.10%	47,63,111	8.11%
GW Crown Pte Limited	47,12,163	8.01%	47,12,163	8.02%
Linus Private Limited	46,13,846	7.84%	46,13,846	7.85%

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

d. Promotor Shareholding:

Particulars	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Anoop Bector	1,25,50,800	21.34%	0.00%	1,25,50,800	21.36%	-45.07%
Anoop Bector HUF	20,05,970	3.41%	0.00%	20,05,970	3.41%	0.00%
Ishaan Bector	100	0.00%	0.00%	100	0.00%	-100.00%
Rashmi Bector	100	0.00%	0.00%	100	0.00%	-99.99%
Suvir Bector	100	0.00%	0.00%	100	0.00%	-99.99%
Anoop Bector (AB Family Trust)	59,55,462	10.13%	0.00%	59,55,462	10.14%	0.00%
Ishaan Bector (IB Family Trust)	47,63,111	8.10%	0.00%	47,63,111	8.11%	0.00%
Suvir Bector (SB Family Trust)	47,63,111	8.10%	0.00%	47,63,111	8.11%	0.00%
Total	**3,00,38,754**	**51.07%**	**0.00%**	**3,00,38,754**	**51.13%**	**0.00%**

e. Aggregate number of shares allotted or fully paid up during the last five years immediately preceding balance sheet date pursuant to contract without payment received in cash and/or by way of fully paid bonus shares

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	-	-	-	-	2,86,33,811	-
	-	-	-	**-**	**2,86,33,811**	**-**

f. Shares reserved for issue under options

Information relating to Company's option plan, including details of options issued, exercised, and lapsed during the year and options outstanding at the end of the reporting year, is given in note 48.

21 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
a. Capital reserve		
Balance at the beginning of the year	14.37	14.37
Less: Movement during the year	-	-
Balance at the end of the year	**14.37**	**14.37**
b. Securities premium		
Balance at the beginning of the year	628.38	243.92
Add:- Shares issued during the year	-	391.31
Add:- Share based options exercised during the year	16.34	15.86
Less: Utilised for IPO expenses	-	(22.71)
Balance at the end of the year	**644.72**	**628.38**
c. Retained earnings		
Balance at the beginning of the year	2,909.32	2,231.73
Add: Profit for the year	534.93	678.20
Add: Other comprehensive (loss) for the year	7.85	(0.61)
Less: Final dividend for FY 2020-21	(141.11)	-
Less: Interim dividend for FY 2021-22	(73.52)	-
Balance at the end of the year	**3,237.47**	**2,909.32**
d. Share options outstanding account		
Balance at the beginning of the year	4.89	8.33
Share based expense	0.43	0.90
Employee stock option exercised during the year	(5.02)	(4.34)
Balance at the end of the year	**0.30**	**4.89**
Total	**3,896.86**	**3,556.96**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Nature of reserves

Capital reserve

Capital reserve is on account of the business combination transaction as per the Court Scheme dated 04 July 2014.

Securities premium

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

Remeasurement of defined benefit plans (included in retained earnings)

Remeasurement of defined benefit plans represents the following as per Ind AS 19, employee benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Share options outstanding account

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under the employee stock option scheme.

Particulars	As at 31 March 2022	As at 31 March 2021
Dividends		
The following dividends were declared by the Company during the year:		
Interim Dividend - Rs. 1.25 per equity share (31 March 2021: Rs. Nil)	73.52	-
Final Dividend - Rs. 1.25 per equity share (31 March 2021: Rs. 2.40)	73.52	141.11
Total	**147.04**	**141.11**
Dividend paid during the year		
Interim Dividend	73.52	-
Final Dividend*	140.98	-
Total	**214.50**	**-**

* Amount due include dividend remaining unpaid. Refer note 28.

The final dividend paid by the Company during the year, which was declared in the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. As stated in Note 21 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

22 Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Term loans (Refer note (a))		
From banks (Secured)#	1,131.62	1,253.08
Vehicle loans (Refer note (a))		
From banks (Secured)	13.83	21.45
From Others (Secured)	11.43	-
Total non-current borrowings	**1,156.88**	**1,274.53**
Less: Current maturities of long term debt #	(274.21)	(124.16)
Less: Interest accrued but not due on borrowings #	(2.39)	(2.07)
Non-current borrowings	**880.28**	**1,148.30**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

(a) Terms and conditions of outstanding borrowings are as follows:

Particulars	ICICI Bank Limited*	HDFC Bank Limited**	Vehicle loans***	Interest accrued but not due	Total
Principal amount					
As at 31 March 2022	563.20	566.14	25.15	2.39	1,156.88
As at 31 March 2021	611.36	639.77	21.33	2.07	1,274.53
Year of maturity	2028-29	2027-28	2024-25	-	-
Term of repayment	monthly basis	monthly basis	monthly basis	-	-
Nominal Interest rate	6.00% - 6.90%	6.00% - 7.20%	7.25% - 9.10%	-	-

* The term loan of ICICI Bank Limited is secured by exclusive charge on all moveable and immovable fixed assets (PPE) both current and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant.

** The term loan of HDFC Bank Limited is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Greater Noida unit. These loans are further secured by way of collateral security of equitable mortgage of factory land measuring 18,720 Sqm situated at 11- A, Udyog Vihar, Greater Noida.

*** Vehicle loans taken from banks and others are secured by hypothecation of respective vehicles.

Term Loans

Name of the lender	Penalty Clause	Prepayment
ICICI Bank Limited	Default interest Rates in respect of Domestic term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate +2% per annum payable monthly, from the due date till such time the overdue amount is paid. Default interest Rates in respect of International term loans: In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% per annum payable monthly, from the due date till such time the overdue amount is paid.	1% of the prepayment amount

Reserve Bank of India had granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks, the Company had availed the option in the term loans from ICICI Bank Limited and HDFC Bank Limited in the previous year. However, the interest and principal amount of the moratorium period had already been paid by the Company.

(b) Net debt reconciliation

The following sections sets out an analysis of net debt and the movements in net debt for each of the year presented:

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	313.73	312.62
Bank balances other than cash and cash equivalents	470.59	449.52
Margin money deposit (Non current)	-	0.11
Lease liabilities (current and non-current)	(69.95)	(15.38)
Current borrowings	(408.20)	(156.68)
Non-current borrowings (excluding interest accured)	(880.28)	(1,148.30)
Interest accrued but not due on borrowings	(2.39)	(2.07)
Net debt	**(576.50)**	**(560.18)**

Particulars	Financial assets			Liabilities from financing activities				Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	
Net debt as at 1 April 2021	**312.62**	**449.52**	**0.11**	**(1,148.30)**	**(156.68)**	**(2.07)**	**(15.38)**	**(560.18)**
Cash flows	1.11	21.07	(0.11)	268.02	(251.52)	-	10.66	49.23
Interest expense	-	-	-	-	-	(67.53)	(3.06)	(70.59)
Interest paid	-	-	-	-	-	67.21	-	67.21
Other non-cash movements								
- Acquisitions	-			-	-	-	(62.17)	(62.17)
Net debt as at 31 March 2022	**313.73**	**470.59**	**-**	**(880.28)**	**(408.20)**	**(2.39)**	**(69.95)**	**(576.50)**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	Financial assets			Liabilities from financing activities				Total
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	
Net debt as at 1 April 2020	**202.97**	**55.69**	**0.26**	**(856.53)**	**(455.12)**	**(2.41)**	**(26.81)**	**(1,081.95)**
Cash flows	109.65	393.83	(0.15)	(291.77)	298.44	-	11.63	521.63
Interest expense	-	-	-		-	(91.44)	(1.64)	(93.08)
Interest paid	-	-	-		-	91.78	-	91.78
Other non-cash movements								
- Deletions	-	-	-	-	-		1.44	1.44
Net debt as at 31 March 2021	**312.62**	**449.52**	**0.11**	**(1,148.30)**	**(156.68)**	**(2.07)**	**(15.38)**	**(560.18)**

23 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Compensated absences	17.32	20.36
Gratuity (refer note 46)	42.89	49.17
	60.21	**69.53**

24 Income Tax

A. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	167.80	221.14
Tax adjustment for earlier years	(13.86)	(5.62)
	153.94	**215.52**
Deferred tax credit		
Changes in recognised temporary differences	4.41	17.05
	4.41	**17.05**
Total Tax Expense	**158.35**	**232.57**

B. Amounts recognised in Other Comprehensive Income

Particulars	As at 31 March 2022			As at 31 March 2021		
	Before tax	Tax Income/ (Expense)	Net of tax	Before tax	Tax Income/ (Expense)	Net of tax
Defined benefit plan	10.49	(2.64)	7.85	(0.81)	0.20	(0.61)
	10.49	**(2.64)**	**7.85**	**(0.81)**	**0.20**	**(0.61)**

C. Reconciliation of effective tax rate

Particulars	As at 31 March 2022		As at 31 March 2021	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	**25.17%**	**693.28**	**25.17%**	**910.77**
Tax using the Company's domestic tax rate		174.48		229.22
Tax effect of:				
Non-deductible expenses	0.46%	3.18	0.37%	3.33
Non-taxable income	-1.65%	(11.42)	0.00%	-
Tax adjustments related to earlier years	-1.21%	(8.41)	0.00%	-
Others	0.08%	0.52	0.00%	0.02
Tax expense	**22.84%**	**158.35**	**25.54%**	**232.57**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

D. Movement in deferred tax balances

Particulars	As at 1 April 2021	Recognized in P&L	Recognized in OCI	As at 31 March 2022
Deferred Tax Liability				
Property, plant and equipment	169.92	6.29	-	176.21
Right-of-use assets	3.68	13.06	-	16.74
Sub- Total (a)	**173.60**	**19.35**	**-**	**192.95**
Deferred Tax Assets				
Provisions - employee benefits	22.60	10.93	(2.64)	30.89
Allowances on doubtful receivables and advances	24.34	(5.01)	-	19.33
Deferred income on grants	31.51	(4.96)	-	26.55
Others	10.75	13.98	-	24.73
Sub- Total (b)	**89.20**	**14.94**	**(2.64)**	**101.50**
Deferred tax Liabilities (net) (a)-(b)	**84.40**	**4.41**	**2.64**	**91.45**

Particulars	As at 1 April 2021	Recognized in P&L	Recognized in OCI	As at 31 March 2022
Deferred Tax Liability				
Property, plant and equipment	187.89	(17.97)	-	169.92
Right-of-use assets	6.47	(2.79)	-	3.68
Sub- Total (a)	**194.36**	**(20.76)**	**-**	**173.60**
Deferred Tax Assets				
Provisions - employee benefits	19.67	2.73	0.20	22.60
Allowances on doubtful receivables and advances	25.58	(1.24)	-	24.34
Deferred income on grants	37.47	(5.96)	-	31.51
Others	44.09	(33.34)	-	10.75
Sub- Total (b)	**126.81**	**(37.81)**	**0.20**	**89.20**
Deferred tax Liabilities (net) (a)-(b)	**67.55**	**17.05**	**(0.20)**	**84.40**

25 Other non-current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred income on government grants	85.33	104.33
	85.33	**104.33**

The Company was awarded grants under Export Promotion Capital Goods Scheme (EPCG), Agricultural and Processed Food Products Export Development Authority (APEDA), Technology Upgradation, Establishment, Modernisation of Food Processing Industries under NMFP and Scheme for Cold Chain and Value Addition Infrastructure. The Company has not received any grant of capital nature during the year ended 31 March 2022 and 31 March 2021. The grants received in earlier years were conditional upon fulfillment of export obligations in case of EPCG purchase of specified plant and machinery in a specified region. The amount received under grants is recognised as deferred income and is being amortised over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

26 Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Loans from banks repayable on demand (secured)*	133.99	32.52
Current maturities of long-term debt (refer note 22)	274.21	124.16
	408.20	**156.68**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

*The Company has also taken the working capital limits from HDFC Bank Limited which are secured against entire current assets (existing and future) of Noida Unit. The facilities availed from HDFC Bank Limited carries floating rate of interest @ MCLR + 0.30% @ ranging from 6.00% to 7.20% per annum (MCLR + 0.30% @ ranging from 7.20% to 8.75% per annum for the year ended 31 March 2021). (Refer Note 15 cash and cash equivalents).

The Company has also taken the working capital limits from ICICI Bank Limited which are secured by exclusive charge on all moveable and immovable fixed assets (PPE) both current and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant. The facilities availed from ICICI Bank Limited carries floating rate of interest @ Repo rate + 3.00% spread ranging from 6.00% to 7.00% per annum (MCLR + 0.60% ranging from 7.50% to 8.75% per annum for the year ended 31 March 2021).

The Company has also taken working capital limits from Axis Bank Limited against fixed deposits. The facilities availed from Axis Bank Limited carries floating rate of interest @ FD rate + 0.05-0.10% ranging from 3.60% to 5.20% per annum (Nil per annum for the year ended 31 March 2021).

Name of the lender	Penalty Clause
ICICI Bank Limited	In event of default, bank is either of facility at liberty to recall all the facility extended to the company. 1 % (The rate will be over and deemed to be an event of above the interest rate of the default for all other facility facility) on the limit amount for the delayed period will be charged for the company for the default period.
HDFC Bank Limited	The bank reserves the right to charge an additional 2% per annum interest rate over and above the normal interest rate on the outstanding amount in case of non-submission of renewal documents.
	Commitment charges @0.50% per annum to be charged on quarterly basis on the entire unutilized portion if average utilization is less than 60%.

25 Other non-current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	75.52	46.14
Total outstanding dues of creditors other than micro enterprises and small enterprises**	461.16	505.02
	536.68	**551.16**

Trade payable ageing schedule

As at 31 March 2022	Unbilled	Not Due	< 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro and small enterprises	-	47.24	28.28	-	-	-	75.52
Total outstanding dues of creditors other than micro and small enterprises	96.33	226.24	140.49	0.46	0.06	0.58	464.16
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro small enterprises	-	-	-	-	-	-	-
Total	**96.33**	**273.48**	**168.77**	**0.46**	**0.06**	**0.58**	**539.68**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Trade payable ageing schedule

As at 31 March 2021	Unbilled	Not Due	< 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro and small enterprises	-	36.12	9.74	-	0.28	-	46.14
Total outstanding dues of creditors other than micro and small enterprises	167.71	242.92	91.40	1.01	1.52	0.46	505.02
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro small enterprises	-	-	-	-	-	-	-
Total	**167.71**	**279.04**	**101.14**	**1.01**	**1.80**	**0.46**	**551.16**

* Refer note 45 for disclosures required under MSMED Act.
**Includes dues to related parties (refer note 47)

28 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2.39	2.07
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises*	8.65	16.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.06	48.90
Unpaid dividends	0.13	-
Security and other trade deposits	38.68	29.79
Payable to subsidiaries	3.00	-
	81.91	**97.18**

* Refer note 45 for disclosures required under MSMED Act.

29 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred income		
Government grants (refer note 25)	20.15	20.86
Advances from customers (Contract liability)	48.14	41.02
Refund liability	10.69	17.47
Statutory dues payable	20.09	18.77
Employee payable*	122.54	84.91
	221.61	**183.03**

*Includes dues to related parties (refer note 47)

30 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Compensated absences	4.17	1.61
Gratuity (refer note 46)	6.72	3.14
Others:		
Provision for litigation (refer note (a))	26.49	25.14
	37.38	**29.89**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

a) Provision for litigation*

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the commencement of the year	25.14	145.42
Add: Provision made during the year	1.73	4.52
Less: Provision utilised/reversed during the year	(0.38)	(124.80)
Balance at the end of the year	**26.49**	**25.14**

*refer note 42A(c) for details of pending litigation.

31 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax (net of advance tax)	0.43	15.47
	0.43	**15.47**

32 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	8,393.91	7,658.35
Sale of services		
Job work income*	490.27	410.25
Total (A)	**8,884.18**	**8,068.60**
Other operating revenue		
Export incentives (refer note 18)	136.26	153.84
Net gain on account of foreign exchange fluctuations	67.23	37.49
Sale of scrap	63.48	42.00
Others*	84.65	75.76
Total (B)	**351.62**	**309.09**
Total revenue from operations (A + B)	**9,235.80**	**8,377.69**

Reconciliation of revenue recognized with the contracted price is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Contracted price	9,330.11	8,478.36
Reductions towards variable consideration components	445.93	409.76
Revenue recognised	**8,884.18**	**8,068.60**

* The Company has accrued following export incentives of ₹136.26 (31 March 2021 ₹153.84).

a) Incentive under Merchandise Exports from India Scheme of ₹ 0.94 (31 March 2021 ₹ 53.97)

b) Duty Free Import Authorization of ₹ 113.79 (31 March 2021 ₹ 93.43)

c) Incentive under Transport and Market Assistance Scheme of ₹ 21.53 (31 March 2021 ₹ 6.44)

Contract Balances

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ sale of goods. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards sale of goods. Revenue is recognised once the performance obligation is met i.e. on sale of goods.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities		
- Advances from customer	48.14	41.02
- Refund liability	10.69	17.47
Contract Assets		
- Receivables, which are included in trade receivables	711.46	675.83

Note: Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue and contract assets are converted into cash/trade receivables within the same operating cycle.

*Also refer note 44

33 Other income

Particulars	As at 31 March 2022	As at 31 March 2021
Interest income from financial assets at amortized cost	33.45	16.33
Interest income from others	0.88	0.89
Government grants (refer note 25)	19.70	23.69
Net profit on sale/write off of property, plant and equipment	5.43	-
Dividend income	45.38	-
Liabilities no longer required written back*	-	55.84
Other miscellaneous income**	1.12	1.61
	105.96	**98.36**

*Also refer note 42

**Also refer note 44

34 Cost of materials consumed

Particulars	As at 31 March 2022	As at 31 March 2021
Cost of materials consumed		
Raw materials (including purchased components and packing material consumed)		
Opening inventories	265.23	198.96
Add: Purchases (net)	5,240.64	4,532.41
Less: Closing inventories	475.53	265.23
	5,030.34	**4,466.14**

35 Purchase of stock-in-trade

Particulars	As at 31 March 2022	As at 31 March 2021
Purchase of stock-in-trade	156.13	6.30
	156.13	**6.30**

36 Changes in inventories of finished goods, stock-in- trade and work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening inventories		
Finished goods	259.29	192.07
Work-in-progress	1.41	0.48
Stock-in-trade	-	0.42
Total (A)	**260.70**	**192.97**
Closing inventories		
Finished goods	262.84	259.29
Work-in-progress	1.46	1.41
Stock-in-trade	-	-
Total (B)	**264.30**	**260.70**
Total (A-B)	**(3.60)**	**(67.73)**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

37 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	1,194.64	1,112.72
Contribution to provident and other funds (refer note 46)	63.96	55.06
Share-based payment to employees (refer note 48)	0.43	0.90
Staff welfare expenses	29.01	32.30
	1,288.04	**1,200.98**

38 Finance costs *

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities measured at amortised cost :		
Loan from banks	57.47	79.33
Lease liabilities (refer note 5)	3.06	1.64
Others	10.06	14.23
	70.59	**95.20**

* Also refer note 4

39 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	415.37	402.31
Depreciation on right-of-use-assets (refer note 5)	11.86	11.34
Amortisation on other intangible assets	0.31	5.72
	427.54	**419.37**

40 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent (refer note 5 and note 44)	21.71	18.99
Rates and taxes	10.10	10.19
Power and fuel #	439.16	358.75
Repair and maintenance:		
Plant and machinery	51.40	61.44
Buildings	10.40	7.82
Others	6.88	7.44
Travelling and conveyance #	78.36	57.35
Payment to auditor (refer note (a) below)	6.67	5.88
Legal and professional fees #	21.29	13.62
Printing and stationery	3.93	3.01
Advertisement and sales promotion	73.36	104.38
Consumption of stores and spare parts	47.33	36.32
Commission and brokerage	6.63	6.46
Communication costs	9.37	7.54
Directors' remuneration	69.20	53.26
Freight and forwarding	761.31	593.35
Insurance	24.59	20.04
Net loss on sale of property, plant and equipment	-	0.44
Allowances on trade receivable and other advances	0.32	42.67
Bank charges #	2.95	3.72

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expenditure on Corporate social responsibility (refer note 52)	12.42	9.94
Miscellaneous expenses #	22.06	22.41
	1,679.44	**1,445.02**

a) Payment to auditor's*

Particulars	As at 31 March 2022	As at 31 March 2021
As auditor		
Statutory audit	4.48	4.90
Limited Review	1.72	0.65
Certification	0.15	0.10
Reimbursement of Expenses	0.32	0.23
	6.67	**5.88**

*Excludes fees paid to statutory auditor of ₹ Nil (previous year - ₹17.17) including reimbursement of expenses amounting ₹ Nil (previous year - ₹0.67) for IPO related expenses. Also refer note 55.

Also refer note 4.

41 Earning per share (EPS)

Particulars	As at 31 March 2022	As at 31 March 2021
A. Basic earnings per share		
(i) Profit for basic earning per share of ₹10 each		
Profit for the year	534.93	678.20
(ii) Weighted average number of equity shares for (basic)		
Balance at the beginning of the year	58.75	57.26
Effect of issue of shares	-	0.39
Effect of issue of ESOP shares	0.05	0.02
	58.80	57.67
Basic Earnings per share (face value of ₹10 each)	9.10	11.76
B. Diluted earnings per share		
(i) Profit for diluted earning per share of ₹10 each		
Profit for the year	534.93	678.20
(ii) Weighted average number of equity shares for (diluted)		
Balance at the beginning of the year	58.75	57.26
Effect of issue of shares	-	0.39
Effect of issue of ESOP shares	0.05	0.02
Effect of employee stock options	0.00	0.04
	58.80	**57.71**
Diluted Earnings per share (face value of ₹10 each)	**9.10**	**11.75**

42 Contingent liabilities, contingent assets and commitments

A. Contingent Liabilities

On the basis of current status of below-mentioned individual cases and as per legal advice obtained by the Company, wherever applicable, the Company is confident that the outcome in the below cases would be in the favour of the Company and is of view that no provision is required in respect of these cases.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

a. Claims against the Company not acknowledged as debts (The Company expects a favorable outcome against all the cases):

Particulars	As at 31 March 2022	As at 31 March 2021
I) Income Tax related matters	**38.10**	**38.10**
i) Relating to Income tax demand on certain disallowance for AY 2010-11*	0.00	0.00
ii) Relating to Income tax demand on certain disallowance for AY 2011-12	0.13	0.13
iii) Relating to Income tax demand on certain disallowance for AY 2013-14	1.83	1.83
iv) Relating to Income tax demand on certain disallowance for AY 2015-16	0.18	0.18
v) Relating to Income tax demand on certain disallowance for AY 2017-18	28.89	28.89
vi) Relating to Income tax demand on certain disallowance for AY 2018-19	7.07	7.07

*The total amount of income tax demand in absolute value is ₹4,238, but for reporting purpose rounded upto Rs. 0.00 million.

Particulars	As at 31 March 2022	As at 31 March 2021
II) Sales tax related matters		
i) Sales Tax demand for assessment year 2005-06 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	3.01	3.01
ii) Sales Tax demand for assessment year 2006-07 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	4.83	4.83

Particulars	As at 31 March 2022	As at 31 March 2021
III) Civil matters		
i) Stamp duty case for the plot taken on 99 years lease in Noida	9.10	9.10

b. Others

Particulars	As at 31 March 2022	As at 31 March 2021
Differential amount of Customs Duty payable by the Company in case of non fulfilment of export obligation against the import of capital goods made at concessional rate of duty. Based on the past sales performance and the future sales plan, management is quite hopeful to meet out the obligations by executing the required volume of exports in future.	11.13	26.63
Customs Duty saved against Bonded Manufacturing Scheme (MOOWR scheme) on import of capital goods. The Company has submitted bonds to government of ₹308.90 million (previous year - ₹308.90 million) which represents three times of duty saved. Duty will be payable in case of domestic sale of capital goods. Based on Company's assessment of use of capital goods, management is quite hopeful that liability will not arise for the same.	102.83	102.83
Impact of bonus due to restrospective amendment in the Payment of Bonus Act, 1965 for the financial year 2014-15 since matter is sub-judice in similar case.	10.27	10.27

The Company had entered into lease agreement with M.P Audyogik Kendra Vikas Nigam Indore Ltd (authorities) on 12 Feb 2018 for lease of land in Industrial Park, District Dhar (M.P), possession for which was received by the Company on 21 March 2018. As per MP Industrial Development Corporation Limited “MPIDC” policy, commercial production was required to be started within four years from the date of possession. Due to Covid 19 and major economic disruption, the Company had initially filed an extension letter on 10 February 2022 stating its intention to commence commercial production from 1 April 2024. Subsequent to the year end and basis discussion the MPIDC officials, Company has filed a fresh extension letter on 24 May 2022 wherein it has now proposed to commence construction of the boundary wall in August 2022 and to commence commercial production from December 2023. In response, MPIDC vide letter dated 27 May 2022 has advised the Company that now, Company still has time till October 2022 to commence commercial production after considering notifications already issued granting extensions owing to COVID 19. Per management’s discussions with the government officials, extension as requested will be granted to the Company nearer to the above

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

end date. The Board of Directors in its meeting held on 28 May 2022 have approved the aforesaid revised plan for construction of the manufacturing facility at Indore and are confident that the Company will be able to obtain extension as may be required in due course without any significant penalty / charge levied by MPIDC.

On 31 March and 1 April 2022, a team of officers headed by Superintendent CGST, Gautam Budh Nagar (Noida) reached the Noida Factory of the Company to conduct search proceedings in factory. As part of the process, a stock take was performed, and no discrepancies were identified. Further, no goods were seized. The Officers took photocopies of sample purchase order/ sales invoice and the sales register for 2020-2021 and 2021 -2022. As part of the Panchnama, the offices alleged that the Kulcha and Buns should be subjected to GST and directed the plant head to deposit INR 1.5 crores within the same date i.e. 1 April 2022 and the remaining amount along GSTR returns.

The department also issued summons to tender statements, provide evidence of amount deposited, receive sale register from Jul 2017 till March 2022. As a next step, the Company deposited Rs. 30 lakhs as amount paid under protest on 2 April 2022. On 4 April 2022, Company CFO has submitted to department, basis legal opinion obtained, that Kucha and Bunfills are both tax free and officer tried to recover the amount without adjudication which is not permissible under the CGST Act. Recovery of amount without adjudication amounts to denial of justice and denial of principals of natural justice which is enshrined in constitution of India. Company has further submitted, process flow of bread and kulcha along with extract of sale ledger to the department on 7 April 2022. The Company does not expect any liability to arise on this matter.

c. Other pending litigations

(a) The Company had obtained a stay against Himachal Pradesh Government order levying entry tax @ 2% on goods entering the state. The same was reduced to 1% with effect from 13 July 2011 and thereafter increased to 2% with effect from 1 March 2014. The Hon'ble High Court had stayed the matter in an earlier year. The Company had provided for the estimated amount of entry tax including interest in the books of account. During the year ended 31 March 2021, the Company has opted for the H.P. (Legacy Cases Resolution) Scheme 2019 and paid Rs. 65.70 as full and final settlement towards the entry tax liability as against Rs. 123.79 provision in the books of account. Accordingly, an amount of Rs. 55.43 had been written back and disclosed under "Liabilities no longer required written back" in Other Income and an amount of Rs. 2.60, representing interest accrued on the principal amount for the previous year, has been netted from "Others" in Finance costs.

(b) The Company had obtained a stay against Punjab VAT Act levying entry tax on Furnace Oil on the basis of High Court judgment delivered on the same point in an another case which is pending before Supreme Court. The estimated amount of tax and interest thereon upto 31 March 2022 of Rs. 4.83 (31 March 2021 Rs. 4.52) (including interest of Rs. 3.14 (31 March 2021 Rs. 2.82)) has been provided in the books of accounts.

(c) A demand of Rs. 2.37 and Rs. 3.75 related with FY 2008-09 and FY 2009-10 respectively is pending with DETC, Ludhiana. The matter is related with input tax credit claimed by assessee on purchase of HSD. The Company has demanded to start the proceeding without depositing the 25% of amount demanded. The department rejected the appeal of the Company. The Company filed the writ petition in High Court which accepted the contention of assessee & remanded the case back to DETC, Ludhiana. The Company had created the provision in books for amount demanded and has also accrued the interest @ 1.5% per month. Therefore the provision for an amount of Rs. 6.20 (31 March 2021 Rs. 5.77) and Rs. 10.45 (31 March 2021 Rs. 9.78) includes an interest of Rs. 3.83 (31 March 2021 Rs. 3.40) and Rs. 6.70 (31 March 2021 Rs. 6.03) respectively.

(d) A demand of Rs. 1.91 (31 March 2021 Rs. 1.91), 1.60 (31 March 2021 Rs. 1.60), 0.09 (31 March 2021 Rs. 0.09) and 0.16 (31 March 2021 Rs. Nil) for assessment year 2013-14, 2014-15, 2016-17 and 2017-18 respectively on account of pending C forms and F forms raised by Deputy Commissioner, Gautam Budh Nagar Noida, Uttar Pradesh pending to be deposited with the sales tax department has been provided for in the books of accounts.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

(e) A demand of Rs. 0.12 (31 March 2021 Rs. 0.12), 0.82 (31 March 2021 Rs. 0.82) and 0.15 (31 March 2021 Rs. 0.15) for assessment year 2011-12, 2012-13 and 2013-14 respectively on account of pending C forms and F forms raised by VAT Officer, Delhi pending to be deposited with the sales tax department has been provided for in the books of accounts.

d. Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and year from which the same applies. The Company has assessed that there was no impact of the same for current year since providend fund was already deducted on such special allowance for current year. Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Company had not recognised any provision for the years prior to 28 February 2019. Further, management also believes that the impact of the same on the Company will not be material.

B. Contingent Assets

The Company has filed for receiving grant from Ministry of Food Processing Industries under Scheme for Cold Chain and Value Addition Infrastructure amounting to Rs. 96.88. The Company has received grant amounting to Rs. 61.81 till the year ended 31 March 2022 (Rs. 61.81 till the year ended 31 March 2021). This grant is conditional upon fulfillment of conditions specified in the scheme and as approved by the authorities. The Company expects that it is more likely than not that it will receive the balance instalment of grant amounting to Rs. 35.07 in future periods as and when approved.

C. Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 124.12 (as on 31 March 2021 Rs. 33.23).

43 Segment reporting

Basis for segmentation

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure.

Operating Segments

The Company's Board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger and acquisition, and expansion of any new facility.

In the opinion of the Board, there is only one reportable segment ("Revenue from food products"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

Entity wide disclosures

A. Information about products and services

i) Revenue comprises :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from food products*	8,884.18	8,068.60
	8,884.18	**8,068.60**

*excludes other operating revenues.

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B. Information about geographical areas

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Company's revenues and receivables by geographical market, regardless of where the goods were produced:

i) Revenue comprises :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Within India	6,504.97	6,030.30
Outside India	2,379.21	2,038.30
Total	**8,884.18**	**8,068.60**

ii) Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Within India	437.97	448.40
Outside India	273.49	227.43
Total	**711.46**	**675.83**

iii) Non-current assets

The Company has common non-current assets for producing goods/ providing services to domestic and overseas markets. Hence, separate figures for other assets/ additions to property, plant and equipment have not been furnished.

C. Information about major customers (from external customers)

During the year ended 31 March 2022, Company does not have transactions with any single external customer having 10% or more of its revenue. (Rs. Nil for the year ended 31 March 2021).

D. Disaggregation of revenue

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
6 months or Less	8,884.18	8,068.60
Total	**8,884.18**	**8,068.60**
Major product/ service line		
Sale of products	8,393.91	7,658.35
Sale of services		
Job work income	490.27	410.25
Total revenue	**8,884.18**	**8,068.60**

E. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Duration	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in trade receivables	711.46	675.83
Contract liabilities	48.14	41.02
Refund liability	10.69	17.47

44 Leases

A. Leases as lessee

a) The Company has taken various residential, office, warehouse and shop premises under lease agreements.

b) The aggregate lease rentals payable are disclosed in note 5 and note 40.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

i. Leases as lessor

Operating leases

The Company has leased out a part of its building, plant and machinery under a job work arrangement. In addition, certain office premises have also been leased out. All these arrangements are under short term cancelable operating leases of less than 12 months.

Amounts recognised in profit or loss

During the year ended 31 March 2022, lease rentals of Rs. 79.74 (31 March 2021: Rs. 73.30) have been included in other operating revenue / other income (refer note 32 and 33). There is a contingency attached to the future lease income and are therefore can not be ascertained.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income generated from lease of building, plant and machinery under job work arrangement	79.61	73.10
Income generated from office premises lease	0.13	0.20

45 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	74.67	45.31
Capital creditors	4.45	12.24
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	0.85	0.83
Capital creditors	4.20	4.18
The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the year		
Trade payables	0.85	0.83
Capital creditors	4.20	4.18
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
Trade payables	0.85	0.83
Capital creditors	4.20	4.18

46 Employee benefits

The Company contributes to the following post-employment defined benefit plans.

(i) Defined Contribution Plans:

Provident fund

The Company makes contribution towards provident fund for employees. The Company's contribution to the Employees Provident Fund is deposited to the government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.The contribution payable to the plan by the Company is at the rate specified under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss (included in note 37- Employee benefits expense):

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution to provident fund	53.88	45.31

(ii) Defined benefit plan:
Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. This scheme is funded by the plan assets.

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India and State bank of India Life Insurance. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to no ceiling. Vesting occurs upon completion of 5 years of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each year of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022 and 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Duration	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability		
Liability for gratuity	49.61	52.31
Total employee benefit liabilities	**49.61**	**52.31**
Non-current	42.89	49.17
Current	6.72	3.14

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (assets)/ liability and its components:

Particulars	For the year ended 31 March 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as at 1 April 2021	112.69	60.38	52.31
Included in Profit or Loss			
Current service cost	16.65	-	16.65
Interest cost (income)	7.66	4.11	3.55
Past service cost	-	-	-
	24.31	**4.11**	**20.20**
Included in OCI			
Remeasurement loss (gain)			
- financial assumptions	(5.96)	(0.95)	(5.01)
- demographic adjustments	-	-	-
- experience adjustment	(5.48)	-	(5.48)
	(11.44)	**(0.95)**	**(10.49)**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Other			
Return			
Contributions paid by the employer	-	5.40	(5.40)
Benefits paid	(7.85)	(0.84)	(7.01)
	(7.85)	**4.56**	**(12.41)**
Balance as at 31 March 2022	**117.71**	**68.10**	**49.61**

Particulars	For the year ended 31 March 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as at 1 April 2020	94.05	53.26	40.79
Included in Profit or Loss			
Current service cost	16.92	-	16.92
Interest cost (income)	6.51	3.68	2.83
Past service cost	-	-	-
	23.43	3.68	19.75
Included in OCI			
Remeasurement loss (gain)			
- financial assumptions	1.52	(0.58)	2.10
- demographic adjustments	-	-	-
- experience adjustment	(1.29)	-	(1.29)
	0.23	(0.58)	0.81
Other			
Return			
Contributions paid by the employer	-	7.00	(7.00)
Benefits paid	(5.02)	(2.98)	(2.04)
	(5.02)	4.02	(9.04)
Balance as at 31 March 2021	**112.69**	**60.38**	**52.31**

C. Plan assets

Plan assets comprise of the following

Particulars	As at 31 March 2022	As at 31 March 2021
Investments with Life insurance corporation	85.85%	85.13%
Investments with SBI life insurance	14.15%	14.87%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

D. Actuarial assumptions

a) Economic assumptions

The following were the principal actuarial assumptions at the reporting date. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:-

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.22%	6.80%
Expected rate of future salary increase	7.00%	7.00%

b) Demographic assumptions

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company , business plan, HR Policy etc. as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the company.

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Retirement age (years)	60	60
(ii) Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	
(iii) Attrition at Ages	Withdrawal rate (%)	Withdrawal rate (%)
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31 March 2022		As at 31 March 2021	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(6.72)	7.37	(6.77)	7.44
Expected rate of future salary increase (0.50% movement)	**7.15**	**(6.59)**	**7.21**	**(6.62)**

Sensitivities due to mortality and withdrawals are not material and hence impact of change has not been calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2022	As at 31 March 2021
Duration of defined benefit payments		
Less than 1 year	6.72	3.14
Between 1-2 years	4.37	6.24
Between 2-5 years	13.93	13.55
Over 5 years	92.69	89.76
Total	**117.71**	**112.69**

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 17.42 years (31 March 2021: 17.50 years).

Expected contribution to post-employment benefit plans in the next year is ₹24.77 (31 March 2021: ₹24.12).

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

G. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow-

a) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(iii) Other long-term employee benefits:

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the year in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such year, the benefit is classified as a long-term employee benefit. During the year ended 31 March 2022, the Company has incurred an expense on compensated absences amounting to Rs. 5.91 (31 March 2021 Rs. 5.63). The Company determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

47 Related parties

A. Related parties and nature of relationship where control exists:

Subsidiaries

Bakebest Foods Private Limited

Mrs. Bectors English Oven Limited

Mrs. Bectors Food International (FZE)- w.e.f. 14 September 2021

Associate

Cremica Agro Foods Limited

CSR Trust

Mrs. Bector Foundation

B. Key Managerial Personnel (KMP)

Anoop Bector	Managing Director
Ishaan Bector	Director
Suvir Bector	Director w.e.f. 1 April 2021
Parveen Kumar Goel	Executive Director and CFO
Nem Chand Jain	Independent Director till 16 March 2021
Subhash Agarwal	Independent Director
Rajeev Dewan	Independent Director
Rajni Bector	Non-executive Director till 31 March 2021
Tarun Khanna	Additional Director till 5 February 2021
Rahul Goswamy	Nominee Director till 5 October 2021
Pooja Luthra	Independent Director w.e.f. 19 September 2020
Alok Kumar Misra	Independent Director w.e.f. 11 February 2022
Atul Sud	Company Secretary

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

C. Relatives of key management personnel having transactions with the Company

Particulars	Anoop Bector	Ishaan Bector	Suvir Bector
Father	Dharamvir Bector *	Anoop Bector	Anoop Bector
Mother	Rajni Bector	Rashmi Bector	Rashmi Bector
Spouse	Rashmi Bector	Neha Gupta Bector	Mannat Jain Bector
Brother	Akshay Bector #	Suvir Bector	Ishaan Bector
	Ajay Bector #		
Son	Ishaan Bector	-	-
	Suvir Bector	-	-

* Deceased on 26 December 2017.

Ceased to be related party w.e.f 8 December 2015 and 25 December 2014 respectively.

D. Related entities of KMP

Partnership firms

Sunshine Foods

Public/Private Limited Companies

Mrs. Bectors Cremica Dairies Private Limited

Hindu Undivided Family

Dharamvir and Sons (HUF)

Anoop Bector (HUF)
Parveen Goel (HUF)

Trust

Anoop Bector (AB Family Trust)
Ishaan Bector (IB Family Trust)
Suvir Bector (SB Family Trust)

E. Key management personnel compensation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term employee benefits	79.82	62.28
Post-employment defined benefit	0.71	0.34
Director sitting fees	0.40	0.43
Total compensation	**80.93**	**63.05**

F. Transactions with related parties*

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these entities transacted with the Company during the reporting year. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis. The aggregate value of the Company's transactions relating to key management personnel and entities over which they have control or significant influence is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of goods		
-Bakebest Foods Private Limited	0.28	0.27

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods		
- Bakebest Foods Private Limited	-	0.15
Purchase of property, plant and equipment		
- Bakebest Foods Private Limited	0.69	1.06
Sale of property, plant and equipment		
- Bakebest Foods Private Limited	3.18	0.04
Shares allotted under employee stock option scheme		
- Parveen Kumar Goel	0.73	2.25
Reimbursement of IPO expense received		
- Anoop Bector	-	2.95
Unsecured loan repaid to		
- Anoop Bector	-	14.02
- Ishaan Bector	-	1.39
- Rajni Bector	-	0.03
Finance cost on loan taken		
- Anoop Bector	-	0.25
- Ishaan Bector	-	0.02
- Rajni Bector	-	0.00
Others		
Rent paid		
- Anoop Bector	4.62	4.62
- Anoop Bector HUF	3.00	3.00
- Bakebest Foods Private Limited	0.06	0.06
Consultancy charges paid		
- Subhash Agarwal	-	0.45
Rent received		
- Bakebest Foods Private Limited	0.06	0.06
- Mrs. Bectors English Oven Limited	0.01	0.01
- Cremica Agro Foods Limited	0.06	0.06
- Mrs. Bectors Cremica Dairies Private Limited	-	0.05
Contribution to provident and other funds		
- Rashmi Bector	1.04	0.96
- Neha Gupta Bector	0.32	0.60
- Suvir Bector	-	1.06
- Mannat Jain Bector	0.04	-
- Atul Sud	0.02	0.02
Interim dividend paid		
- Anoop Bector	45.81	-
- Anoop Bector HUF	7.32	-
- Ishaan Bector	0.00	-
- Rashmi Bector	0.00	-
- Suvir Bector	0.00	-
- Anoop Bector (AB Family Trust)	21.74	-
- Ishaan Bector (IB Family Trust)	17.39	-
- Suvir Bector (SB Family Trust)	17.39	-
- Parveen Kumar Goel	0.06	-
Dividend received		
- Bakebest Foods Private Limited	45.38	-
Amount paid for CSR expenditure		

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Mrs. Bector Foundation	10.11	6.02
Salary paid		
- Rashmi Bector	9.24	8.25
- Neha Gupta Bector	5.40	5.10
- Suvir Bector	-	9.00
- Mannat Jain Bector	0.37	-
- Atul Sud	1.19	1.07

* Transactions are net off goods and services tax wherever applicable.

G. Related party balances as at the year end:

Particulars	As at 31 March 2022	As at 31 March 2021
Trade and other payables		
- Anoop Bector	1.26	2.98
- Anoop Bector HUF	0.90	0.26
- Ishaan Bector	0.80	0.85
- Parveen Kumar Goel	0.60	0.90
- Mannat Jain Bector	0.20	-
- Rashmi Bector	0.51	0.04
- Neha Gupta Bector	0.20	0.28
- Suvir Bector	0.58	0.40
- Nem Chand Jain	-	0.02
- Subhash Agarwal	0.02	0.05
- Rajeev Dewan	0.02	0.05
- Pooja Luthra	0.02	0.05
- Atul Sud	0.07	0.06
- Mrs. Bectors Food International (FZE)	3.00	-
Advances and other receivables		
- Cremica Agro Foods Limited	-	0.04
- Mrs. Bectors English Oven Limited	-	0.01
- Mrs. Bectors Cremica Dairies Private Limited	-	0.13
Non current investments		
- Bakebest Foods Private Limited	181.50	181.50
- Mrs. Bectors English Oven Limited	0.50	0.50
- Mrs. Bectors Food International (FZE)	3.00	-
- Cremica Agro Foods Limited	17.09	17.09

Note : Refer note 18 for IPO expenses recoverable from selling shareholders.

In the opinion of the management, all transactions were made on normal commercial terms and conditions and at arm's length price.

48 Share-based payment to employees

A. Description of share-based based payment to employees

i. Share option programme (equity-settled)

On 31 December 2017, the Company established share option programme that entitle certain employees of the Company to purchase shares in the Company. Under these plans, holders of vested options are entitled to purchase shares at the exercise price of the shares at respective date of grant of options. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	42,951	349.24	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	27,920	349.24	3 years and 9 months service from grant date	Service conditions

On 14 July 2017, the Company modified share option programme by entitling grant holders of the Company for bonus shares in the Company in the ratio of 1:1.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	85,902	174.62	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	55,840	174.62	3 years and 9 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 3)	1-Oct-2018	34,359	174.62	3 years and 9 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 4)	19-Sep-2020	11,454	174.62	1 year and 8 months service from grant date	Service conditions

B. Measurement of fair values

i. Equity-settled share-based based payment to employees

The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

Particular	Employees Stock Option Plan - 2017 (Grant 1)	Employees Stock Option Plan - 2017 (Grant 2)	Employees Stock Option Plan - 2017 (Grant 3)	Employees Stock Option Plan - 2017 (Grant 4)
Fair value of options at grant date	124.01	143.94	75.12	71.62
Enterprise value per share ar grant date	347.08	347.08	190.00	203.55
Exercise price at the grant date	349.24	349.24	174.62	174.62
Exercise price after bonus issue	174.62	174.62	174.62	174.62
Expected volatility (weighted-average)	34.11%	34.56%	27.12%	51.49%
Expected life (weighted-average)	2 years	3 years	2 years	2 years
Expected dividends	0.27%	0.27%	0.00%	0.37%
Risk-free interest rate (based on government bonds)	6.36%	6.44%	8.02%	4.48%

Note

1. The fair value of options has been done by an independent merchant banker on the date of grant using the Black-Scholes Model.
2. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programme were as follows:

Particular	31 March 2022		31 March 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees Stock Option Plan-2017				
Options outstanding at the beginning of the year	72,871	174.62	1,31,417	174.62
Add: Options granted during the year	-	-	11,454	174.62
Add: Options increased due to bonus share	-	-	-	-
Less: Options forefeited during the year	-	-	-	-
Less: Options exercised during the year	68,811	174.62	70,000	174.62
Less: Options expired during the year	-	-	-	-
Options outstanding at the end of the year	**4,060**	**174.62**	**72,871**	**174.62**
Exercisable at the end of the year	**3**	**174.62**	**38,748**	**174.62**

The options outstanding at 31 March 2022 and at 31 March 2021 had an exercise price of ₹174.62 and a weighted-average contractual life of 0.05 years and 1.29 years.

D. Expense recognised in statement of profit and loss

For details of the employee benefit expenses, refer note 37.

49 Financial instruments – Fair values and risk management

I. Accounting classifications and fair values

A. Financial instruments by categories :

Particular	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Other non-current financial assets	-	37.12	-	33.62
Investments	-	64.87	-	61.71
Trade receivables	-	711.46	-	675.83
Cash and cash equivalents	-	313.73	-	312.62
Bank balances other than cash and cash equivalents	-	470.59	-	449.52
Current loans	-	4.67	-	-
Other current financial assets	9.40	168.98	7.24	246.33
	9.40	**1,771.42**	**7.24**	**1,779.63**
Financial liabilities				
Non-current borrowings	-	880.28	-	1,148.30
Short term borrowings	-	408.20	-	156.68
Non-current lease liabilities	-	58.76	-	9.80
Current lease liabilities	-	11.19	-	5.58
Trade payables	-	536.68	-	551.16
Other financial liabilities	-	81.91	-	97.18
	-	**1,977.02**	**-**	**1,968.70**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	9.40	-	9.40

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	7.24	-	7.24

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Fair value of borrowings is as follows :

Particular	Level	Fair value		Amortised cost	
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Non-current borrowings (including current maturities)*	3	1,115.96	1,276.00	1,156.88	1,274.53

*The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

Valuation process

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes for level 3 fair values. The Company relies on them for instruments measured using level 1 valuation The Company using quoted price/ NAV's published, for the derivative instruments measured using level fair values, the Company obtains the valuation from the bank from whom the derivatives are taken. This team reports directly to the Chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every year in line with the Company's reporting year.

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

C. Fair value of financial assets and liabilities measured at amortised cost

Particular	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Other non-current financial assets	37.12	37.12	33.62	33.62
Investments	64.87	64.87	61.71	61.71
Trade receivables	711.46	711.46	675.83	675.83
Cash and cash equivalents	313.73	313.73	312.62	312.62
Bank balances other than cash and cash equivalents	470.59	470.59	449.52	449.52
Current loans	4.67	4.67	-	-
Other current financial assets	168.98	168.98	246.33	246.33
	1,771.42	**1,771.42**	**1,779.63**	**1,779.63**

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particular	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Non current borrowings	880.28	880.28	1,148.30	1,148.30
Short term borrowings	408.20	408.20	156.68	156.68
Total financial liabilities	58.76	58.76	9.80	9.80
Current lease liabilities	11.19	11.19	5.58	5.58
Trade payables	536.68	536.68	551.16	551.16
Other current financial liabilities	81.91	81.91	97.18	97.18
	1,977.02	**1,977.02**	**1,968.70**	**1,968.70**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, short-term borrowings, trade payables, other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current borrowings represents approximate to the fair values. Accordingly, the same has not been discounted.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

II. Financial risk management

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's internal auditor oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date. The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard payments and delivery terms & conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence.

Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties. A default on a financial asset is when counterparty fails to make payments within 90 days when they fall due.

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Security deposits

The Company furnished security deposits to its lessors for obtaining the premises on lease and margin money deposits to banks. The Company considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Company expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

Loss allowance as per expected credit loss

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using Expected Credit Losses		
Trade receivables	775.19	760.63
Export incentives receivables	133.43	139.19

Reconciliation of loss allowance provision

Particulars	Trade Receivables	Total
Loss Allowance on 1 April 2020	99.90	99.90
Change in loss allowance	(15.10)	(15.10)
Loss Allowance on 31 March 2021	84.80	84.80
Change in loss allowance	(21.07)	(21.07)
Loss Allowance on 31 March 2022	**63.73**	63.73

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying amount	Contractual cash flows			
	As at 31 March 2022	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	880.28	880.28	-	828.97	51.31
Short term borrowings	408.20	408.20	408.20	-	-
Non-current lease liabilities	58.76	58.76	-	25.34	33.42
Current lease liabilities	11.19	11.19	11.19	-	-
Trade payables	536.68	536.68	536.68	-	-
Other current financial liabilities	81.91	81.91	81.91	-	-
Total	**1,977.02**	**1,977.02**	**1,037.98**	**854.31**	**84.73**

Particulars	Carrying amount	Contractual cash flows			
	As at 31 March 2021	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	1,148.30	1,148.30	-	992.98	155.32
Short term borrowings	156.68	156.68	156.68	-	-
Non-current lease liabilities	9.80	9.80	-	-	9.80
Current lease liabilities	5.58	5.58	5.58	-	-
Trade payables	551.16	551.16	551.16	-	-
Other current financial liabilities	97.18	97.18	97.18	-	-
Total	**1,968.70**	**1,968.70**	**810.60**	**992.98**	**165.12**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of directors.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

As at 31 March 2022	USD	Euro
Financial asset		
Trade receivables	3.55	0.06
Forward contracts receivables (including above trade receivables)	11.26	-
Total	**14.81**	**0.06**
Financial liabilities		
Payable for capital assets	-	0.21
Total	**-**	**0.21**
Net exposure to foreign currency risk	**14.81**	**(0.15)**

As at 31 March 2021	USD	Euro
Financial asset		
Trade receivables	3.44	0.14
Forward contracts receivables (including above trade receivables)	6.23	-
Total	**9.67**	**0.14**
Financial liabilities		
Payable for capital assets	0.01	0.33
Total	**0.01**	**0.33**
Net exposure to foreign currency risk	**9.66**	**(0.19)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against all other currencies as at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (1% movement)	11.20	(11.20)	8.38	(8.38)
EUR (1% movement)	**(0.13)**	**0.13**	**(0.10)**	**0.10**
31 March 2021				
USD (1% movement)	7.06	(7.06)	5.28	(5.28)
EUR (1% movement)	(0.16)	0.16	(0.12)	0.12

Interest rate risk

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company cash flow to interest rate risk. Company normally maintains most of its long term borrowings at MCLR+0.30% to 0.60% in Rupees. Company has all the long term loans from HDFC Bank Limited and ICICI Bank Limited.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed-rate instruments		
Financial assets	473.07	453.88
Financial liabilities	-	-
	473.07	**453.88**

Particulars	As at 31 March 2022	As at 31 March 2021
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(1,293.26)	(1,309.12)
	(1,293.26)	**(1,309.12)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by Rs. 3.54 after tax (31 March 2021 Rs. 3.40). This analysis assumes that all other variables remain constant.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or loss (net of tax)	
	100 bp increase	100 bp decrease
31 March 2022		
Variable-rate instruments	(9.68)	9.68
Cash flow sensitivity (net)	(9.68)	9.68
31 March 2021		
Variable-rate instruments	(9.80)	9.80
Cash flow sensitivity (net)	(9.80)	9.80

50 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company capital consists of equity attributable to equity holders that includes equity share capital, reserves, retained earnings and long term borrowings.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Total liabilities	2,473.43	2,455.35
Less: Cash and cash equivalents	313.73	312.62
Less: Bank balances other than cash and cash equivalents	470.59	449.52
Less: Fixed deposits with banks with maturity period for more than 12 months	-	0.11
Adjusted total liabilities (a)	**1,689.11**	**1,693.10**
Total equity (b)	**4,485.01**	**4,144.43**
Capital gearing ratio (a/b)	**37.66%**	**40.85%**

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (including interest accrued but not due on borrowings)	1,290.87	1,307.05
Less: Cash and cash equivalents	313.73	312.62
Less: Bank balances other than cash and cash equivalents	470.59	449.52
Less: Fixed deposits with banks with maturity period for more than 12 months	-	0.11
Adjusted net debt	**506.55**	**544.80**
Total equity	**4,485.01**	**4,144.43**
Adjusted net debt to equity ratio	**0.11**	**0.13**

As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

51 Ratios as per Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	31 March 2022	31 March 2021
Current Assets	2,654.59	2,397.61
Current Liabilities	1,297.40	1,038.99
Current Ratio	**2.05**	**2.31**
% Change from previous year	**-11.33%**	

Reason for change more than 25%: Not applicable

b) Debt Equity Ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	31 March 2022	31 March 2021
Total Debt	1,288.48	1,304.98
Total Equity	4,485.01	4,144.43
Debt Equity Ratio	**0.29**	**0.31**
% Change from previous year	**-8.76%**	

Reason for change more than 25%: Not applicable

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	31 March 2022	31 March 2021
Profit after tax	534.93	678.20
Add: Non cash operating expenses and finance cost	498.13	514.57
-Depreciation and amortisation	427.54	419.37
-Finance costs	70.59	95.20
Earnings available for debt services	1,033.06	1,192.77

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Particulars	31 March 2022	31 March 2021
Interest cost on borrowings	57.47	79.33
Principal repayments	274.21	124.16
Total Interest and principal repayments	331.68	203.49
Debt Service Coverage Ratio	**3.11**	**5.86**
% Change from previous year	**-46.86%**	

Reason for change more than 25%:

This ratio has decreased from 5.86 times in March 2021 to 3.11 times in March 2022 due to fall in net profit. Also there is increase in principal repayments due to end of moratorium period of term loans.

d) Return on Equity Ratio = Net profit after tax divided by Equity

Particulars	31 March 2022	31 March 2021
Net profit after tax	534.93	678.20
Average Equity	4,314.72	3,607.73
Return on Equity Ratio	**12.40%**	**18.80%**
% Change from previous year	**-34.05%**	

Reason for change more than 25%:

This ratio has decreased from 18.80% in March 2021 to 12.40% in March 2022 due to fall in net profit. Although sales has increased during the year but net profit has fallen due to increase in prices of raw material.

e) Inventory Turnover Ratio = Revenue from operations divided by average inventory

Particulars	31 March 2022	31 March 2021
Revenue	9,235.80	8,377.69
Average Inventory	662.02	488.30
Inventory Turnover Ratio	**13.95**	**17.16**
% Change from previous year	**-18.69%**	

Reason for change more than 25%: Not applicable

f) Trade Receivables Turnover Ratio = Revenue from operations divided by average trade receivables

Particulars	31 March 2022	31 March 2021
Revenue	9,235.80	8,377.69
Average Trade Receivables	693.65	703.61
Trade Receivables Turnover Ratio	**13.31**	**11.91**
% Change from previous year	**11.83%**	

Reason for change more than 25%: Not applicable

g) Trade Payables Turnover Ratio = Purchases divided by average trade payables

Particulars	31 March 2022	31 March 2021
Purchases	5,396.77	4,538.71
Other expenses #	1,679.44	1,445.02
Total	7,076.21	5,983.73
Average Trade Payables	543.92	502.05
Trade Payables Turnover Ratio	**13.01**	**11.92**
% Change from previous year	**9.15%**	

Excluding Net loss on sale of property, plant and equipment Rs. Nil (previous year 0.44) & Allowances on trade receivable and other advances of Rs. 0.32 (previous year 42.67).

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

Reason for change more than 25%: Not applicable

h) Net Capital Turnover Ratio = Revenue divided by Working capital where working capital= current assets - current liabilities

Particulars	31 March 2022	31 March 2021
Revenue	9,235.80	8,377.69
Working Capital	1,357.19	1,358.62
Net Capital Turnover Ratio	**6.81**	**6.17**
% Change from previous year	**10.36%**	

Reason for change more than 25%: Not applicable

i) Net Profit Ratio = Net profit after tax divided by revenue from operations

Particulars	31 March 2022	31 March 2021
Net profit after tax	534.93	678.20
Revenue	9,235.80	8,377.69
Net Profit Ratio	**5.79%**	**8.10%**
% Change from previous year	**-28.45%**	

Reason for change more than 25%:

This ratio has decreased from 8.10% in March 2021 to 5.79% in March 2022 due to fall in net profit. Although sales has increased during the year but net profit has fallen due to increase in prices of raw material.

j) Return on Capital Employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	31 March 2022	31 March 2021
Profit before tax (A)	693.28	910.77
Finance costs (B)	70.59	95.20
EBIT (D) = (A)+ (B)	**763.87**	**1,005.97**
Total Assets (E)	6,958.44	6,599.78
Total Liabilities (F)	2,473.43	2,455.35
Intangible Assets (G)	1.62	0.41
Tangible Net Worth (H)	4,486.63	4,144.84
Total Debt (I)	1,288.48	1,038.99
Deferred Tax Liability (J)	91.45	84.40
Capital employed (K) = (H) + (I) + (J)	**5,866.56**	**5,268.23**
Return on Capital Employed	**13.02%**	**19.10%**
% Change from previous year	**-31.81%**	

Reason for change more than 25%:

This ratio has decreased from 19.10% in March 2021 to 13.02% in March 2022 due to fall in net profit. Although sales has increased during the year but net profit has fallen due to increase in prices of raw material.

k) Return on Investment Ratio = Income generated from investments / total Investment

(i) Return on Equity investments = Dividend income/ total investment

Particulars	31 March 2022	31 March 2021
Dividend income	45.38	-
Total Investments	200.79	199.09
Return on Investment	**22.60%**	**0.00%**
% Change from previous year	**100.00%**	

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(All amounts are in rupees million, unless otherwise stated)

Reason for change more than 25%:

The change is on account of dividend received from the subsidiary.

(ii) Return on treasury investments = Interest income/ total investment

Particulars	31 March 2022	31 March 2021
Interest income on bank deposits	33.45	16.33
Total Investments	706.82	378.31
Return on Investment	**4.73%**	**4.32%**
% Change from previous year	**9.63%**	

Reason for change more than 25%: Not Applicable

52 Corporate Social Responsibility

Particulars	As at 31 March 2022	As at 31 March 2021
Amount required to be spent by the company during the year	12.42	9.94
Amount of expenditure incurred #	12.42	9.94
Shortfall at the end of the year #	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities*		
Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	10.11	6.02
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shown be shown separately	-	-

* Current year - On promoting education, eradicating hunger and malnutrition, environment sustainability and preventive health care. Previous year - On promoting education, eradicating hunger and malnutrition, on environment sustainability and preventive health care.

53 Impact of COVID 19 (Global Pandemic) on Business

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these audited financial statements including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these audited financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered.

The Company continues to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity.

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(a) Share issue expenses

During the previous year, the Company completed its Initial Public Offer (IPO) of 18,769,701 equity shares shares of face value of ₹10/- each for cash at an issue price of Rs. 288/- per equity share aggregating to Rs. 5,405.40 million, consisting of fresh issue of 1,408,592 equity shares aggregating to Rs 405.40 million and an offer for sale of 17,361,109 equity shares aggregating to Rs. 5,000.00 million by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 24 December 2020. The Company incurred Rs. 195.34 million as an IPO related expense (excluding taxes) which are proportionately allocated between the selling shareholders and the Company as per respective offer size. The Company's share of these expenses (excluding taxes) of Rs 22.71 million had been adjusted against securities premium during the previous year.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

(b) The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per Prospectus	Utilization upto 31 March 2021	Unutilized amount as at 31 March 2021	Utilization during the year ended 31 March 2022	Unutilized amount as at 31 March 2022
Financing the project cost towards Rajpura extension project	405.40	-	405.40	142.04	263.36
Total fresh proceeds	405.40	-	405.40	142.04	263.36

IPO proceeds which were unutilized as at 31 March 2022 were temporarily invested in deposits with banks.

55 Note on intermediary

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

56 Social security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified. The Company and its Indian subsidiaries will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

57 Relationship with Struck off Companies

Where the company has any transactions with the companies struck off under section 248 of the companies Act, 2013 or section of the companies Act, 1956, the company shall disclose the following details namely:-

Year ended 31 March 2022:

Name of struck off Company	Nature of transactions with struck off Company	Amount (in million)	Relationship with the struck off Company, if any to be disclosed
Sew Eurodrive India Private Limited	Other Expenses - Repair and Maintenance Payables	0.32 -	Third party
Truckpur Solutions Private Limited	Amount written back Payables	0.02 -	Third party
Gateway Resorts Private Limited	No transactions during the year Receivables (Amount provided for during the previous year)	- 0.02	Third party

Year ended 31 March 2021:

Name of struck off Company	Nature of transactions with struck off Company	Amount (in million)	Relationship with the struck off Company, if any to be disclosed
Sew Eurodrive India Private Limited	Other Expenses - Repair and Maintenance Payables	0.37 0.01	Third party
Truckpur Solutions Private Limited	No transactions during the year Payables	- 0.02	Third party
Gateway Resorts Private Limited	No transactions during the year Receivables (Amount provided for during the year)	- 0.02	Third party

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

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The Company has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year, except for:

Quarter End Date	Bank Name	Particulars	Amount as per books of account (in million)	Amount as reported in quarterly statements (in millions)	Excess/Shortage (in million)	Reason for Material discrepancy
30-Jun-21	ICICI	Inventory	510.48	371.07	139.41	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	662.39	872.97	(210.58)	Difference is on account of stock in transit, unbilled revenue and claims provision
30-Sep-21	ICICI	Inventory	522.23	341.63	180.60	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	771.43	993.46	(222.03)	Difference is on account of stock in transit, unbilled revenue and claims provision
31-Dec-21	ICICI	Inventory	521.28	370.18	151.10	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	796.39	1,000.67	(204.28)	Difference is on account of stock in transit, unbilled revenue and claims provision
31-Mar-22	ICICI	Inventory	681.14	682.26	(1.12)	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	665.81	677.67	(11.86)	Difference is on account of unbilled revenue and claims provision

*The Company submits summary of Inventory and receivables position (stock statements) on monthly basis to ICICI Bank by 15th to 20th of the next month, which is required as per the terms and conditions of the sanction letter. The difference between stock statements and financial statement arise since stock statements are prepared before adjusting certain items of inventory (such as stock in transit, valuation of inventory and provision) and debtors (such as stock in transit, unbilled revenue and claims provision).

59 Reclassification done in current year balance sheet, to the figures of previous year, as per Schedule III Amendments:

Particulars	Amount as on year ended 31 March 2021	Presented as, in financial of year ended 31 March 2021	Reclassified as, in financial of year ended 31 March 2022	Remarks
Security Deposits	33.51	Non-current financial assets - Loans	Other non-current financial assets	Reduction in Non-current financial assets - Loans by Rs.33.51 and equivalent addition in Other non-current financial assets for the figures of year ended 31 March 2021.
Security Deposits	27.03	Financial Assets - Loans	Other current financial assets	Reduction in Financial Assets - Loans by Rs.27.03 and equivalent addition in Other current financial assets for the figures of ywear ended 31 March 2021.
Current maturities of long-term debt	124.16	Other financial liabilities - Current	Financial liabilities - Borrowing	Reduction in Other financial liabilities (Current) by Rs. 124.16 and equivalent addition in Financial assets - Trade Receivable for the figures of year ended 31 March 2021.

Notes to Standalone Financial Statement for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

60 Regulatory informations :

(i) The Company does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property.

(ii) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(iv) The Company does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(v) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC").

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector	**Ishaan Bector**	**Atul Sud**	**Parveen Kumar Goel**
Managing Director	Director	Company Secretary	Executive Director and CFO
DIN: 00108589	DIN: 02906180	M. No: F10412	DIN: 00007297
Place: Phillaur	Place: Mumbai	Place: Phillaur	Place: Phillaur
Date: 28 May 2022	Date: 28 May 2022	Date: 28 May 2022	Date: 28 May 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Mrs. Bectors Food Specialities Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Mrs. Bectors Food Specialities Limited** (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and an associate, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and an associate, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition

Refer to Note 2 (h) and Note 32 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods and services is recognized when control in goods is transferred to the customer and when the services are completed, and is measured net of rebates, discounts and returns. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. We focused on this area since there is a risk that revenue may be overstated because of fraud, resulting due to the pressure from Management and Board of Directors who may strive to achieve performance targets. Also, revenue is a key performance indicator for the Company which makes it susceptible to misstatement because the timing of revenue recognition requires exercise of judgement. In view of the above, we have identified risk of fraud in revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions (using random sampling). • We involved our IT specialists to assist us in testing of general IT controls and key IT application controls relating to revenue recognition.

- We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded for the financial year. For such samples, verified the underlying documents, including invoices, good dispatch notes, customer acceptances and shipping documents (as applicable) to assess whether these are recognized in the appropriate period in which control is transferred or services are provided.
- We carried out analytical procedures on revenue recognized during the year to identify unusual variances.
- We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period
- We tested sample manual journal entries for revenue, selected based on specified risk-based criteria to identify unusual items.
- We assessed the adequacy of the disclosures made in the financial statements as per the requirement of Ind AS 115.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Other Matters

(a) We did not audit the financial statement of a subsidiary whose financial statements reflect total assets (before consolidation adjustments) of Rs. 0.50 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 0.02 million and net cash inflows (before consolidation adjustments) amounting to Rs. 0.01 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) (before consolidation adjustments) of Rs. 0.41

million for the year ended 31 March 2022, in respect of an associate, whose financial statement have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and an associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and an associate is based solely on the audit reports of the other auditors.

(b) The financial information of a subsidiary, whose financial information reflect total assets (before consolidation adjustments) of Rs.3.0 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 0.00 million and net cash flows (before consolidation adjustments) amounting to Rs.0.00 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by the other auditor. The unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and an associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 1 April 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and an associate company incorporated in India, none of the directors of the Group companies, its associate company incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and an associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and an associate, as noted in the 'Other Matters' paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its associate. Refer Note 42 to the consolidated financial statements.

b) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies or associate company incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 56 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies or associate company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and associate company incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 56 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies and associate company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and associate company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Group during the year, which was declared in the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. As stated in Note 21 to the financial statements, the Board of Directors of the Group has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company and an associate company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and an associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and an associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Rajiv Goyal

Partner

Membership No.: 094549

ICAI UDIN: 22094549AJUFJO4005

Place: Gurugram

Date: 28 May 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

(xxi)In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Mrs. Bectors Food Specialities Limited	L74899PB1995PLC033417	Holding Company	ii(b), (iii)(a), (iii)(c), (iii)(d), (vii) (b), (x)(a)
2	Bakebest Foods Private Limited	U15412PB2009PTC033442	Subsidiary Company	(iii)(a), (iii)(c), (iii)(d)

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

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Rajiv Goyal

Partner

Membership No.: 094549

ICAI UDIN: 22094549AJUFJO4005

Place: Gurugram

Date: 28 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Mrs. Bectors Food Specialities Limited *for the period ended 31 March 2022*

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013
(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Mrs. Bectors Food Specialities Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and an associate company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and an associate company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company and an associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Rajiv Goyal

Partner

Membership No.: 094549

ICAI UDIN: 22094549AJUFJO4005

Place: Gurugram

Date: 28 May 2022

Consolidated Balance Sheet as at 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,913.66	3,397.12
Capital work-in-progress	4	119.42	552.74
Right-of-use assets	5	192.32	142.01
Goodwill	6	3.95	3.95
Other intangible assets	7	1.62	0.41
Equity accounted investment	8	42.22	39.21
Financial assets			
(i) Other financial assets	9	39.11	35.62
Income tax assets (net)	10	41.32	28.70
Other non-current assets	11	109.00	70.37
Total non-current assets		**4,462.62**	**4,270.13**
Current assets			
Inventories	12	786.80	569.07
Financial assets			
(i) Investments	13	64.87	61.71
(ii) Trade receivables	14	749.65	719.72
(iii) Cash and cash equivalents	15	324.73	347.35
(iv) Bank balances other than (iii) above	16	506.07	500.11
(v) Loans	17	4.82	-
(vi) Other financial assets	18	178.38	253.57
Other current assets	19	143.61	89.97
Total current assets		**2,758.93**	**2,541.50**
Total assets		**7,221.55**	**6,811.63**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	20	588.15	587.47
Other equity	21	4,101.62	3,724.95
Total equity		**4,689.77**	**4,312.42**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	22	880.28	1,148.30
(ii) Lease liabilities	5	58.76	9.80
Provisions	23	65.49	74.14
Deferred tax liabilities (net)	24	99.24	94.83
Other non-current liabilities	25	85.33	104.33
Total non-current liabilities		**1,189.10**	**1,431.40**
Current liabilities			
Financial liabilities			
(i) Borrowings	26	405.20	156.68
(ii) Lease liabilities	5	11.19	5.58
(iii) Trade payables	27		
(a) Total outstanding dues of micro enterprises and small enterprises		89.50	52.69
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		487.32	519.94
(iv) Other financial liabilities	28	82.31	98.71
Other current liabilities	29	228.83	188.62
Provisions	30	37.65	30.12
Current tax liabilities (net)	31	0.68	15.47
Total current liabilities		**1,342.68**	**1,067.81**
Total liabilities		**2,531.78**	**2,499.21**
Total equity and liabilities		**7,221.55**	**6,811.63**

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector	**Ishaan Bector**	**Atul Sud**	**Parveen Kumar Goel**
Managing Director	Director	Company Secretary	Executive Director and CFO
DIN: 00108589	DIN: 02906180	M. No: F10412	DIN: 00007297
Place: Phillaur	Place: Mumbai	Place: Phillaur	Place: Phillaur
Date: 28 May 2022	Date: 28 May 2022	Date: 28 May 2022	Date: 28 May 2022

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
INCOME			
Revenue from operations	32	9,881.73	8,807.26
Other income	33	62.76	101.26
Total income		**9,944.49**	**8,908.52**
Expenses			
Cost of materials consumed	34	5,360.31	4,678.21
Purchase of stock-in-trade	35	155.85	6.30
Changes in inventories of finished goods, stock-in- trade and work-in-progress	36	(4.98)	(67.98)
Employee benefits expense	37	1,377.72	1,268.56
Finance costs	38	70.80	95.20
Depreciation and amortisation expense	39	459.99	446.83
Other expenses	40	1,767.97	1,511.60
Total expenses		**9,187.66**	**7,938.72**
PROFIT BEFORE SHARE OF EQUITY ACCOUNTED INVESTEES AND TAX			
Share of net profit of associate accounted for using the equity method (net of tax)	8	0.41	0.93
Profit before tax		**757.24**	**970.73**
TAX EXPENSE	24		
Current tax		184.13	232.21
Deferred tax		1.68	15.76
		185.81	**247.97**
Profit for the year (A)		**571.43**	**722.76**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		10.85	(0.48)
Income tax relating to items that will not be reclassified to profit or loss			
Income tax relating to remeasurement of defined benefit plans		(2.73)	0.11
Total other comprehensive income/ (loss) for the year (B)		**8.12**	**(0.37)**
Total comprehensive income for the year (A + B)		**579.55**	**722.39**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs.10)]	41		
Basic		**9.72**	12.53
Diluted		**9.72**	12.52
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
Place: Gurugram
Date: 28 May 2022

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

Anoop Bector
Managing Director
DIN: 00108589
Place: Phillaur
Date: 28 May 2022

Ishaan Bector
Director
DIN: 02906180
Place: Mumbai
Date: 28 May 2022

Atul Sud
Company Secretary
M. No: F10412
Place: Phillaur
Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297
Place: Phillaur
Date: 28 May 2022

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2022 Number of shares	As at 31 March 2022 Amount	As at 31 March 2021 Number of shares	As at 31 March 2021 Amount
Balance at the beginning of the year	5,87,46,514	587.47	5,72,67,922	572.68
Share based option exercised during the year	68,811	0.69	70,000	0.70
Shares issued during the year	-	-	14,08,592	14.09
Balance at the end of the year	**5,88,15,325**	**588.15**	**5,87,46,514**	**587.47**

(b) Other equity

Particulars	Note	Share options outstanding account	Capital reserve	Securities premium	General reserve	Retained earnings	Total
BALANCE AT 1 APRIL 2020		**8.33**	**13.17**	**243.92**	**18.88**	**2,337.24**	**2,621.54**
Profit for year		-	-	-	-	722.76	722.76
Other comprehensive (loss) / income for year*	21 c	-	-	-	-	(0.37)	(0.37)
Total comprehensive income for year		**-**	**-**	**-**	**-**	**722.39**	**722.39**
Shares issued during the year	21 b	-	-	391.31	-	-	391.31
Utilised for IPO expenses		-	-	(22.71)	-	-	(22.71)
Share based expense	21 d	0.90	-	-	-	-	0.90
Share based option forfeited during the year	21 d	(4.34)	-	15.86	-	-	11.52
BALANCE AT 31 MARCH 2021		**4.89**	**13.17**	**628.38**	**18.88**	**3,059.63**	**3,724.95**
Profit for year		-	-	-	-	571.43	571.43
Other comprehensive (loss) / income for year*	21 c	-	-	-	-	8.12	8.12
Total comprehensive income for year		**-**	**-**	**-**	**-**	**579.55**	**579.55**
Share based expense	21 d	0.43	-	-	-	-	0.43
Employee stock option exercised during the year	21 d	(5.02)	-	16.34	-	-	11.32
Less: Final dividend for FY 2020-21	21 c	-	-	-	-	(141.11)	(141.11)
Less: Interim dividend for FY 2021-22	21 c	-	-	-	-	(73.52)	(73.52)
Balance at 31 March 2022		**0.30**	**13.17**	**644.72**	**18.88**	**3,424.55**	**4,101.62**

* Represents remeasurement of defined benefit plans (net of tax).

Significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector
Managing Director
DIN: 00108589
Place: Phillaur
Date: 28 May 2022

Ishaan Bector
Director
DIN: 02906180
Place: Mumbai
Date: 28 May 2022

Atul Sud
Company Secretary
M. No: F10412
Place: Phillaur
Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297
Place: Phillaur
Date: 28 May 2022

Statement of consolidated cash flows for the year ended 31 March 2022

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	757.24	970.73
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	459.99	446.83
Allowances on trade receivable and other advances	0.32	42.67
Liabilities no longer required written back	-	(55.84)
Amortisation of government grants	(19.70)	(23.69)
Change in fair value of derivative contracts	(2.16)	(19.74)
Net unrealized foreign exchange (gain)/ loss	(2.23)	8.58
Net (profit)/ loss on sale/write off of property, plant and equipment	(4.73)	0.16
Share based payment to employees	0.43	0.90
Finance costs	70.80	95.20
Interest income	(37.25)	(19.90)
Share of profit of equity accounted investment	(0.41)	(0.93)
Operating profit before working capital changes	**1,222.30**	**1,444.97**
Movement in working capital:		
(Increase) in current loans	(4.82)	-
Decrease/ (increase) in other financial assets	71.98	(60.84)
(Increase) in other non-current assets	(0.21)	(0.75)
(Increase)/ decrease in other current assets	(53.64)	3.37
(Increase) in inventories	(217.73)	(135.34)
(Increase) in trade receivables	(28.10)	(21.43)
Increase in non current provisions	2.20	12.44
Increase/ (decrease) in current provisions	7.53	(70.93)
Increase in other liabilities	40.90	46.93
Increase in trade payables	4.19	102.36
Increase in other financial liabilities	9.46	5.71
Cash generated from operations	**1,054.06**	**1,326.49**
Income tax paid (net of refund)	(211.54)	(223.69)
Net cash from operating activities (A)	**842.52**	**1,102.80**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	(602.99)	(811.66)
Purchase of intangible assets	(1.52)	-
Proceeds from sale of property, plant and equipment (including capital work-in-progress)	12.03	13.42
Purchase of invesments	(5.76)	(61.71)
Net investments in bank deposits (having original maturity of more than three months)	(5.85)	(404.46)
Interest received	39.02	17.14
Net cash used in investing activities (B)	**(565.07)**	**(1,247.27)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	-	405.40
Proceeds from exercise of employee stock option (including securities premium)	12.01	12.22
Share premium utilised for IPO expenses	-	(22.71)
Proceeds from non-current borrowings *	142.09	521.33
Repayments of non-current borrowings *	(260.06)	(380.01)

Statement of consolidated cash flows for the year ended 31 March 2022

(Contd.)

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Proceeds/ (repayments) of current borrowings (net)	98.47	(147.99)
Payment of lease liabilities (including interest on lease liabilities)**	(10.66)	(11.63)
Finance costs paid	(67.42)	(91.78)
Final dividend paid for FY 2020-21	(140.98)	-
Interim dividend paid for FY 2021-22	(73.52)	-
Net cash used in financing activities (C)	**(300.07)**	**284.83**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(22.62)**	**140.36**
Cash and cash equivalents at the beginning of the year	347.35	206.99
Cash and cash equivalents at the end of the year	**324.73**	**347.35**
Notes:-		
1. Cash and cash equivalents include		
Balance with banks		
- in current accounts	158.61	181.48
- deposits with origianl maturity of less than three months	164.81	164.45
Cash on hand	**1.31**	**1.42**
	324.73	**347.35**

* Also refer note 22 (b) for reconciliation of liabilities from financing activities.

** Refer note 5.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

Significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector
Managing Director
DIN: 00108589

Place: Phillaur
Date: 28 May 2022

Ishaan Bector
Director
DIN: 02906180

Place: Mumbai
Date: 28 May 2022

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Company Secretary
M. No: F10412

Place: Phillaur
Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297

Place: Phillaur
Date: 28 May 2022

Notes to consolidated financial statements

for the year ended 31 March 2022 (All amounts are in rupees million, unless otherwise stated)

1. Reporting entity

Mrs. Bectors Food Specialities Limited referred to as "the Company" or "Parent" is domiciled in India. The Company's registered office is at Theing Road, Phillaur-144410, Punjab, India. During the previous year, the equity shares of the Company have been listed on BSE Limited and The National Stock Exchange of India Limited. These consolidated financial statements comprise of the Company and its subsidiaries (together referred to as the 'Group') and its associate. The Group and its associate is engaged in the business of manufacturing and distribution of food products. The Group caters to both domestic and export markets.

2. Significant Accounting Policies

The Group and its associate has consistently applied the following accounting policies to all periods presented in the consolidated financial statements.

a) Basis and purpose of preparation

i) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (India Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements were authorised for issue by the Parent's Company's Board of Directors on 28 May 2022.

ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is the Group and its associate's functional currency. All amounts have been rounded to the nearest million, upto two places of decimal, unless otherwise stated.

iii) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following:

- Defined benefit liability/(assets): Fair value of the plan assets less present value of defined benefit obligations
- Certain financial assets and liabilities (including derivative instruments: measured at fair value)

Fair value measurement

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Group and its associate. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole-

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Group and its associate uses observable market data as far as possible.

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and its associate recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in note 49 Financial instruments.

iv) Use of judgments and estimates

In preparing these consolidated financial statements , management has made judgments, estimates and assumptions that affect the application of the Group and its associate's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

Judgements

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements have been given below:

- Note 49 - classification of financial assets: assessment of business model within which the assets the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;
- Note 5 & 44 - leases classification and assessment of discount rate in relation to lease accounting as per Ind AS 116

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the every period ended is included below:

- Note 3 and 7 - useful life and residual value of property, plant and equipment and other intangible assets;
- Note 46 - measurement of defined benefit obligations: key actuarial assumptions,
- Note 48 - fair value of share-based payments
- Note 42 - Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 49 - impairment of financial assets;
- Note 49 - Fair value measurement of financial instruments.
- Note 12 – Valuation of inventories
- Note 2(i) & 25 – Accounting for Government grant
- Note 2(o), 10, 24- Recognition of tax expense including deferred tax, availability of future taxable profits against which tax losses carried forward can be used

v) Current and non-current classification

The Group and its associate presents assets and liabilities in the consolidated financial statements based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group and its associate's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group and its associate's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group and its associate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Group and its associate has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

b) Basis of consolidation

i) Business Combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

ii) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expense. Intercompany transactions, balances and unrealized gains on transactions between Group entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of Profit and Loss, Consolidated statement of changes in Equity and Consolidated Balance sheet respectively.

iii) Associate

The Group's interests in equity accounted investment comprise interests in associate.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate is accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investment until the date on which significant influence ceases.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the group's share of associate's post-acquisition profits or losses of the investee on profit and loss, and the Group and its associate's share of other comprehensive income.

Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment.

When the Group and its associate's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group and its associate does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group are eliminated to the extent of the Group and its associate's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

v) The Consolidated Financial Statements comprises financial statements of the members of the Group as under:

Name and relation of Company	Country of Incorporation	% of Interest	
		As at 31 March 2022	As at 31 March 2021
Holding Company			
Mrs. Bectors Food Specialities Limited	India		
Subsidiaries			
Bakebest Foods Private Limited	India	100	100
Mrs. Bectors English Oven Limited	India	100	100
Mrs. Bectors Food International (FZE)	UAE	100	100
Associate			
Cremica Agro Foods Limited	India	43.09	43.09

c) Property, plant and equipment
Recognition and measurement

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

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

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

Major machinery spares parts are classified as property, plant and equipment when they are expected to be utilized over more than

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one period. Other spares are carried as inventory and recognised in the consolidated statement of Profit and Loss as and when consumed.

Any gain or loss on disposal of property, plant and equipment is recognised in consolidated statement of Profit and Loss.

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the consolidated statement of Profit and Loss. Assets held for sale, that meets the criteria of Ind AS 105 are reported at the lower of the carrying value or the fair value less cost to sell.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment

Subsequent Measurement

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and its associate and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the consolidated statement of Profit and Loss when incurred.

Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight line basis using the rates based on the useful lives prescribed as per Part C of schedule II, of the Companies Act 2013 except in case of certain plant and equipment such as moulds, crates and pallets where the management has assessed useful life as 3 years based on internal technical evaluation, and is recognised in the consolidated statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on items of property, plant and equipment is provided as per the rates corresponding to the useful life specific in Schedule II of the Companies Act, 2013 read with notification dated 29 August 2014 of Ministry of Corporate Affairs as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II
Building	30 years	30 years
Plant and machinery	3 to 25 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computer	3 to 6 years	3 to 6 years

Significant components of assets and their useful life and depreciation charge is based on an internal technical evaluation. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each balance sheet date end and adjusted if appropriate.

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Derecognition

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of Profit and Loss.

d) Goodwill and Intangible assets

Goodwill

For measurement of goodwill that arises on a business combination (Refer note b.i). Subsequent measurement is at cost less any accumulated impairment losses. The goodwill on consolidation is tested for impairment annually.

Other Intangible assets

Intangible assets that are acquired by the Group and its associate are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of Profit and Loss as incurred.

Estimated useful life of the softwares is considered as 5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each balance sheet date and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated statement of Profit and Loss when the asset is derecognised.

Advances paid towards acquisition of intangible assets outstanding at each period end date, are shown under other non-current assets and cost of assets not ready for intended use before the period end, are shown as intangible asset under development.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

e) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group and its associate at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the consolidated statement of Profit and Loss.

f) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily takes substantial period of time to get ready for their

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intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and its associate has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group and its associate makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of Profit and Loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group and its associate's gratuity benefit scheme is a defined benefit plan.

Gratuity

The Group and its associate's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Parent Company's plan is funded with an Insurance Company in the form of insurance policies. However, the subsidiaries and associate's plan is not funded. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group and its associate, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group and its associate determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of Profit and Loss.

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Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Consolidated Balance sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Consolidated Balance sheet date. Actuarial gains and losses are recognised in the statement of Profit or Loss in the period in which they occur.

h) Revenue

i. Sale of goods

Under Ind AS 115, the Group and its associate recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.
Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Group and its associate is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses, or a reasonable estimate can be made.

Rendering of services

Revenue in respect of sale of services is recognised on an accrual basis in accordance with the terms of the relevant agreements.

ii. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group and its associate performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and its associate has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and its associate transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and its associate performs under the contract.

iv. Right of return

Group and its associate provides a customer with a right to return in case of any defects or on grounds of quality. The Group and its associate uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group and its associate will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group and its associate recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

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i) Government grants and subsidies

Government grants for capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group and its associate will comply with the conditions associated with the grant; they are then recognised in consolidated statement of Profit and Loss as other income on a systematic basis.

Grants that compensate the Group and its associate for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense on a systematic basis in the periods in which such expenses are recognized.

Export Incentives

Export incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and that the group and its associate will comply with the conditions associated with the grant and ultimate collection exist.

j) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

a) the gross carrying amount of the financial asset; or
b) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k) Inventories

Inventories are measured at the lower of cost and net realizable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials, packing materials and stores and spares	Weighted average method
Traded goods	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average cost and includes an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

l) Provisions, contingent liabilities, Contingent assets, Commitments

Provisions are recognised when the Group and its associate has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable esti-

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

mate can be made of the amount of the obligation. The expense relating to a provision is presented in the consolidated statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Expected future losses are not provided for.

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed where an inflow of economic benefit is probable.

Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

Financial assets

i) Initial recognition and measurement

The Group and its associate initially recognises financial assets on the date on which they are originated. The Group and its associate recognises the financial assets on the trade date, which is the date on which the Group and its associate becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss

ii) Classifications and subsequent measurement

Classifications

The Group and its associate classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group and its associate's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group and its associate makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and its associate considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

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Debt instrument at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value though profit and loss (FVTPL):

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from Expected Credit Losses (ECL) impairment are recognised in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

Equity instruments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value.

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group and its associate decides to classify the same either as at FVTOCI or FVTPL. The Group and its associate makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable

If the Group and its associate decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group and its associate may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

iii) Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group and its associate changes its business model for managing financial assets.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group and its associate of similar financial assets) is primarily derecognised (i.e. removed from the Group and its associate's Consolidated Balance sheet) when:

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- The rights to receive cash flows from the asset have expired, or
- The Group and its associate has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and its associate has transferred substantially all the risks and rewards of the asset, or (b) the Group and its associate has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

ii) Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at amortised cost

After initial recognition, financial liabilities are amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

iii) Derecognition of financial liabilities

The Group and its associate derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

Derivative financial instruments

The Group and its associate holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Group and its associate enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

n) Impairment

Impairment of financial assets

The Group and its associate recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group and its associate assesses whether financial assets carried at amortised cost are credit-impaired. A

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financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group and its associate on terms that the Group and its associate would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group and its associate measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and its associate is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and its associate considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and its associate's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group and its associate in accordance with the contract and the cash flows that the Group and its associate expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and its associate determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Group and its associate's procedures for the recovery of amount due.

Impairment of non-financial assets

The Group and its associate's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group and its associate's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Income taxes

Income tax comprises current and deferred tax. It is recognised in the consolidated statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Group and its associate has opted to recognize tax expense at the new income tax rate as applicable to the Company in the previous year.

Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Consolidated Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Consolidated Balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and its associate expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and its associate intends to settle its current tax assets and liabilities on a net basis.

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Current and deferred tax are recognised in the consolidated statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

p) Leases

Leases under Ind AS 116

At inception of a contract, the Group and its associate assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group and its associate's lease asset classes primarily consist of leases for buildings and leasehold land. The Group and its associate, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Group and its associate elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Group and its associate recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group and its associate's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group and its associate recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group and its associate recognises any remaining amount of the re-measurement in consolidated statement of Profit and Loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and its associate is reasonably certain to exercise, lease payments in an optional renewal period if the Group and its associate is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and its associate is reasonably certain not to terminate early.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group and its associate's estimate of the amount expected to be payable under a residual value guarantee, if the Group and its associate changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group and its associate presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group and its associate has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group and its associate recognises the lease payments associated with these leases as an expense in the consolidated sstatement of Profit or Loss over the lease term.

As lessor

Leases in which the group or its associate transfer substantially all the risks and benefits of ownership of the assets are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the group and its associate apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the consolidated statement if profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the consolidated statement of profit and loss.

Leases in which the group and its associate does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating lease are included in Property, plant and equipment. Lease income on an operating income is recognized in the consolidated statement of profit and loss on a straight line basis over lease term. Costs, including depreciation, are recognized as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the consolidated statement of profit and loss.

Assets held under lease

Leases of property, plant and equipment that transfer to the Group and its associate substantially all the risk and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policies applicable to similar owned assets.

Assets held under leases that do not transfer to the Group and its associate substantially all the risk and rewards of ownership (i.e. operating lease) are not recognised in the Group and its associate's Balance Sheet.

Lease Payments

Payments made under operating leases are generally recognised in the consolidated statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentive received are recognised as an integral part of the total lease expense over the term of the lease.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the consolidated statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

q) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group and its associate is charged to the consolidated statement of the profit and loss.

r) Share issue expenses

The share issue expenses incurred by the Group and its associate on account of new shares issued are netted off from securities

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

premium account. The share issue expenses incurred by the Group and its associate on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as IPO expenses recoverable under other current financial assets.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Group and its associate have been identified as being the Chief operating decision maker by the management of the Group and its associate. Refer note 43 for segment information presented.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

u) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group and its associate are segregated.

v) Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

w) Cash dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

x) Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

y) Recent pronouncements

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment (PPE) – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to

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determine whether the contract is onerous or not) is included.

- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/ associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

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

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3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions	Disposals/ adjustments during the year	As at 31 March 2022	As at 1 April 2021	Charge for year	Disposals/ adjustments during the year	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
Own assets										
Freehold land	168.96	104.71	-	273.67	-	-	-	-	168.96	273.67
Leasehold improvements	-	3.18	-	3.18	-	0.19	-	0.19	-	2.99
Buildings @	1,397.40	45.40	-	1,442.80	189.42	48.38	-	237.80	1,207.98	1,205.00
Plant and machinery #	3,248.55	782.85	31.66	3,999.74	1,337.02	374.34	25.26	1,686.10	1,911.53	2,313.64
Furniture and fixtures	44.63	2.30	-	46.93	19.75	4.57	-	24.32	24.88	22.61
Vehicles	111.75	20.65	4.68	127.72	46.66	12.41	4.33	54.74	65.09	72.98
Office equipment	28.19	6.58	0.03	34.74	16.19	4.23	0.03	20.39	12.00	14.35
Computer	21.56	5.50	0.23	26.83	14.88	3.70	0.17	18.41	6.68	8.42
Total	**5,021.04**	**971.17**	**36.60**	**5,955.61**	**1,623.92**	**447.82**	**29.79**	**2,041.95**	**3,397.12**	**3,913.66**

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposals/ adjustments during the year	As at 31 March 2021	As at 1 April 2020	Charge for year	Disposals/ adjustments during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Own assets										
Freehold land	177.70	-	8.74	168.96	-	-	-	-	177.70	168.96
Leasehold improvements	1.08	-	1.08	-	0.99	-	0.99	-	0.09	-
Buildings @	1,390.26	7.14	-	1,397.40	141.88	47.54	-	189.42	1,248.38	1,207.98
Plant and machinery #	2,837.88	424.71	14.04	3,248.55	987.16	359.92	10.06	1,337.02	1,850.72	1,911.53
Furniture and fixtures	44.18	0.45	-	44.63	15.21	4.54	-	19.75	28.97	24.88
Vehicles	85.09	26.66	-	111.75	36.35	10.31	-	46.66	48.74	65.09
Office equipment	26.29	2.33	0.43	28.19	12.61	3.77	0.19	16.19	13.68	12.00
Computer	18.61	2.95	-	21.56	11.19	3.69	-	14.88	7.42	6.68
Total	**4,581.09**	**464.24**	**24.29**	**5,021.04**	**1,205.39**	**429.77**	**11.24**	**1,623.92**	**3,375.70**	**3,397.12**

a) Refer note 22 and 26 for charge created on property, plant and equipment.

b) Freehold land includes land having gross block amounting to Rs. Nil (31 March 2021 Rs. 2.59) in the state of Himachal Pradesh, pending to be registered in the name of the Company.

c) Vehicles includes motor cars having gross block amounting to Rs. 0.03 (31 March 2021 Rs. 0.03) and written down value amounting to Rs. 0.03 (31 March 2021 Rs. 0.03) are pending to be registered in the name of the Company.

d) Refer note 42 C for disclosure of capital commitments for the acquisition of property, plant and equipment.

\# Plant and machinery includes amount of gross value Rs. 1,575.80 (31 March 2021 Rs. 1,524.65), net value of Rs. 919.45 (31 March 2021 Rs. 1,025.80) which are partially given under lease arrangement. Also refer note – 32.

@ Buildings includes amount of gross value Rs. 565.71 (31 March 2021 Rs. 565.68), net value of Rs. 479.18 (31 March 2021 Rs. 498.95) which are partially given under lease arrangement. Also refer note – 32.

4. Capital work-in-progress

Particulars	As at 1 April 2021	Additions	Capitalised during the year	As at 31 March 2022
Capital work-in-progress*	552.74	353.55	786.87	119.42

Particulars	As at 1 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Capital work-in-progress*	66.55	859.20	373.01	552.74

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

Capital work in progress (CWIP) ageing schedule

AS AT 31 MARCH 2022

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress					
Rajpura (New biscuit line)	87.90	-	-	-	87.90
Noida (Sour Dough)	15.13	-	-	-	15.13
Misc projects lying at various locations	8.32	7.44	0.63	-	16.39
Total	**111.35**	**7.44**	**0.63**	**-**	**119.42**

AS AT 31 MARCH 2021

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress					
Noida (Bun and bakery line)	512.75	23.72	4.88	-	541.35
Misc projects lying at various locations	10.76	0.63	-	-	11.39
Total	**523.51**	**24.35**	**4.88**	**-**	**552.74**

*Detail of preoperative expenses included in CWIP	As at 31 March 2022	As at 31 March 2021
Opening for the year	18.09	5.21
Additions as per consolidated statement of profit and loss during the year		
- Interest and processing charges # (Refer note 38)	20.23	24.12
- Bank charges (Refer note 40)	0.01	0.18
- Power & fuel (Refer note 40)	1.31	1.07
- Employee benefits expense (Refer note 37)	1.55	-
- Legal & professional expense (Refer note 40)	0.06	-
- Travelling and conveyance (Refer note 40)	0.50	0.91
- Miscellaneous expenses (Refer note 40)	1.65	0.29
Subtotal	**25.31**	**26.57**
Less:- Capitalised to respective property, plant and equipment	**39.40**	**13.69**
Closing for the year	**4.00**	**18.09**

Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation relating to general borrowings is Rs. 8.70 at interest rate range of 6% to 7% (31 March 2021 Rs. 4.48 at interest rate of 8.75%).

5. Right-of-use assets and lease liabilities :

Information about leases for which the Group is a lessee is presented below :

Particulars	Category of Right-of-use assets		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2021	137.10	4.91	142.01
Addition/ reclassification of leases	-	62.17	62.17
Depreciation charge for year	(1.59)	(10.27)	(11.86)
Balance as on 31 March 2022	**135.51**	**56.81**	**192.32**

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

Particulars	Category of Right-of-use assets		
	Leasehold land	Building	Total
Right-of-use assets (ROU Assets)			
Balance as on 1 April 2020	136.98	16.02	153.00
Addition/ reclassification of leases	1.71	-	1.71
Depreciation charge for year	(1.59)	(9.75)	(11.34)
Deletions for terminated leases	-	(1.36)	(1.36)
Balance as on 31 March 2021	**137.10**	**4.91**	**142.01**

The aggregate depreciation expense on ROU assets amounting to Rs. 11.86 (31 March 2021 Rs. 11.34) is included under depreciation and amortisation expense in the consolidated statement of Profit and Loss.

The following is the movement in lease liabilities during the year:

Lease liabilities	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	15.38	26.81
Addition for new leases	62.17	-
Accredition of interest	3.06	1.64
Payment of lease liabilities	(10.66)	(11.63)
Deletions for terminated leases	-	(1.44)
Balance at the end	**69.95**	**15.38**

As at balance sheet date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

5. Right-of-use assets and lease liabilities (continued)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2022	As at 31 March 2021
Maturity analysis – contractual undiscounted cash flows		
Less than one year	15.24	6.39
After one year but not longer than five years	44.35	3.24
More than five years	90.45	74.46
Total	**150.04**	**84.09**
Lease liabilities included in the statement of financial positionCurrent		
Current	11.19	5.58
Non- current	58.76	9.80
Total	**69.95**	**15.38**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group incurred Rs. 22.34 (31 March 2021 Rs. 19.63) during the year towards expenses relating to short-term leases for which the recognition exemption has been applied (Refer note 40).

The total cash outflow for leases (including short term leases) is Rs. 33.00 (31 March 2021 Rs. 31.26) during the year.

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

6. Goodwill

Particulars	Gross block				Impairment			Net block	
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	As at 1 April 2021	Adjustments	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
Goodwill	3.95	-	-	3.95	-	-	-	3.95	3.95
Total	**3.95**	**-**	**-**	**3.95**	**-**	**-**	**-**	**3.95**	**3.95**

Particulars	Gross block				Impairment			Net block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Adjustments	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Goodwill	3.95	-	-	3.95	-	-	-	3.95	3.95
Total	**3.95**	**-**	**-**	**3.95**	**-**	**-**	**-**	**3.95**	**3.95**

There has been no impairment loss recognised on goodwill generated on acquisition of Bakebest Foods Private Limited.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The entire goodwill of Rs. 3.95 has been allocated to the purchase of business of Bakebest Foods Private Limited. The recoverable amount is the higher of the fair value less cost to sell and the value in use; where the value in use is the present value of the future cash flows. The fair value measurement has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources.

	As at 31 March 2022	As at 31 March 2021
Discount rate	12.40%	12.40%
Terminal value rate	5%	5%
Budgeted EBITDA growth rate	10%	10%

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.
- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.
- Budgeted EBITDA has been estimated taking into account past experience.

7. Other intangible assets

Particulars	Gross block				Amortisation				Net block	
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	As at 1 April 2021	Charge for year	Deletions	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
Computer softwares	27.56	1.52	-	29.08	27.15	0.31	-	27.46	0.41	1.62
Total	**27.56**	**1.52**	**-**	**29.08**	**27.15**	**0.31**	**-**	**27.46**	**0.41**	**1.62**

Particulars	Gross block				Amortisation				Net block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Charge for year	Deletions	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Computer softwares	27.56	-	-	27.56	21.43	5.72	-	27.15	6.13	0.41
Total	**27.56**	**-**	**-**	**27.56**	**21.43**	**5.72**	**-**	**27.15**	**6.13**	**0.41**

(All amounts are in rupees million, unless otherwise stated)

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

8 Equity accounted investment

	As at 31 March 2022	As at 31 March 2021
Investment in associate		
Quoted investment in equity share at cost *#		
1,937,268 (31 March 2021: 1,937,268) equity shares of Rs.10/- each fully paid up of Cremica Agro Foods Limited	39.62	39.21
Unquoted investment in equity share at cost		
260,000 (31 March 2021: Nil) equity shares of Rs.10/- each fully paid up of Solarstream Renewable Services Private Limited	2.60	-
	42.22	**39.21**

* Listed on Metropolitan Stock Exchange on 16 July 2018.

Quoted		
Aggregate book value of quoted investments	39.62	39.21
Aggregate market value of quoted investments	*	*
Aggregate amount of impairment in value of investments	**Nil**	**Nil**

Not traded since the date of listing.

Interests in equity accounted investment

Cremica Agro Foods Limited ('CAFL') is an associate of the Group and has a 43.09% ownership interest. The CAFL is principally engaged in food processing. The said Company was incorporated in India on 6 December 1989. The principal place of business is Phillaur.

Summarised financial information for associate

The following table summarises the financial information of CAFL as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in CAFL.

Percentage ownership interest	43.09%	43.09%
Non-current assets	33.16	42.26
Current assets (including cash and cash equivalents – 31 March 2022: 55.59, 31 March 2021: 6.49)*	59.69	58.69
Current liabilities (including current financial liabilities – 31 March 2022: 0.58 31 March 2021: 9.70)	(0.91)	(9.96)
Net assets (100%)	**91.94**	**90.99**
Group's share of net assets	39.62	39.21
Carrying amount of interest in equity accounted investment	**39.62**	**39.21**

* Certain deposit accounts and a bank account having balance as at 31 March 2022: Rs. Nil (31 March 2021: Rs. Nil) of the associate company, i.e. Cremica Agro Foods Limited were freezed by the Board of Directors due to dispute among some of the Directors of the associate company w.e.f. 6 January 2016. These accounts were unfreezed on 4 February 2021.

Carrying amount of the interest in equity accounted investment

	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue	-	0.14
Other income	3.09	2.15
Depreciation and amortisation expense	0.04	0.05
Income tax expense	0.32	0.13

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit	0.96	2.16
Total comprehensive income (net of tax)	**0.96**	**2.16**
Group's share of profit	0.41	0.93
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	**0.41**	**0.93**

No dividend has been received from the associate for the year ended 31 March 2022 and 31 March 2021.

9 Other non-current financial assets

	As at 31 March 2022	As at 31 March 2021
Deposits with maturity of more than 12 months		
Margin money deposit*	-	0.11
Security deposits	39.11	35.51
	39.11	**35.62**

*Margin money deposits with carrying amount of Rs. 0.00 (31 March 2021 Rs. 0.11) are subject to first charge to secure the Group's inland letter of credit and bank guarantees.

10 Income tax assets (net)

Advance income tax (net of provision for tax)	41.32	28.70
	41.32	**28.70**

11 Other non-current assets

Prepaid expenses	1.25	1.04
Capital advances	107.75	69.33
	109.00	**70.37**

12 Inventories *(valued at the lower of cost and net realisable value)*

Raw material and packing material	489.16	275.20
Work-in-progress	1.46	1.41
Finished goods - Manufactured goods (including stock in transit Rs. 117.88 (31 March 2021 Rs. 128.07))*	264.51	259.58
Stores and spares	31.67	32.88
	786.80	**569.07**

*The write-down of inventories to net realisable value during the year amounted to Rs. 3.51 (31 March 2021 Rs. 3.70) and are included in changes in inventories of finished goods and work-in-progress.

13 Current investments

Deposits with financial institution-unquoted		
- 5.20%-5.30% (31 March 2021 : 5.20%) deposit with Housing Development Finance Corporation Limited	64.87	61.71
	64.87	**61.71**
Unquoted current investments		
Aggregate book value	64.87	61.71
Aggregate market value	Nil	Nil
Aggregate amount of impairment in value of investments	Nil	Nil

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

14 Trade receivables

	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good, unless otherwise stated)		
Trade receivables*	813.98	804.52
Less: Loss allowance**	(64.33)	(84.80)
	749.65	**719.72**
Break-up of trade receivables:		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	751.09	721.36
Trade receivables which have significant increase in credit risk	43.49	64.99
Trade receivables – credit impaired	19.40	18.17
Total	**813.98**	**804.52**
Less: Expected credit loss allowance		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	(1.44)	(1.64)
Trade receivables which have significant increase in credit risk	(43.49)	(64.99)
Trade receivables – credit impaired	(19.40)	(18.17)
Total trade receivables	**749.65**	**719.72**

* The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 49 on financial instruments.

Trade receivable ageing schedule

As at 31 March 2022	Unbilled	Not Due	< 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed trade receivable - considered good	6.33	500.69	242.60	1.47	-	-	-	751.09	1.44	749.65
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	8.12	2.81	2.52	6.62	20.07	20.07	-
Undisputed trade receivable - credit impaired	-	1.10	3.12	0.88	8.95	5.35	-	19.40	19.40	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	-	5.75	7.20	2.57	7.90	23.42	23.42	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Total	**6.33**	**501.79**	**245.72**	**16.22**	**18.96**	**10.44**	**14.52**	**813.98**	**64.33**	**749.65**
As at 31 March 2021	**Unbilled**	**Not Due**	**< 6 months**	**6 months to 1 year**	**1 year to 2 years**	**2 year to 3 years**	**> 3 years**	**Total gross receivables**	**Expected credit loss**	**Net receivables**
Undisputed trade receivable - considered good	11.91	466.70	241.61	0.22	0.69	0.23	-	721.36	1.64	719.72
Undisputed trade receivable - which have significant increase in credit risk	-	-	3.61	4.19	4.50	32.59	1.53	46.42	46.42	-
Undisputed trade receivable - credit impaired	-	0.71	3.57	7.88	0.69	5.32	-	18.17	18.17	-

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

As at 31 March 2021	Unbilled	Not Due	< 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	0.26	1.97	7.62	2.53	6.19	18.57	18.57	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Total	**11.91**	**467.41**	**249.05**	**14.26**	**13.50**	**40.67**	**7.72**	**804.52**	**84.80**	**719.72**

15 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
In current account#	158.61	181.48
Cash on hand	1.31	1.42
Deposits with banks for original maturity of less than three months	164.81	164.45
	324.73	**347.35**

#Includes debit balance of working capital facility availed from HDFC Bank Limited amounting to Rs. 127.44 (31 March 2021 Rs. 52.87) and from ICICI Bank Limited amounting to Rs. Nil (31 March 2021 Rs. 58.29).

16 Bank balances other than cash and cash equivalents above

Margin money deposit *	71.17	65.04
Deposits due to be matured within 12 months of the reporting date	434.90	435.07
	506.07	**500.11**

*Margin money deposits with carrying amount of Rs. 71.17 (31 March 2021 Rs. 65.04) are subject to first charge to secure the Group's inland letter of credit and bank guarantees.

17 Current loans

(Unsecured, considered good)		
Loans to employees	4.82	-
	4.82	**-**

18 Other current financial assets

(Unsecured, considered good)		
Forward exchange contracts used for hedging	9.40	7.24
Export incentive receivable	133.43	139.19
Security deposits	27.03	27.03
Claims receivable on export	5.02	2.08
Interest accrued but not due on fixed deposits with banks	2.48	4.25
Other advances	1.02	0.76
IPO expenses recoverable @	-	73.02
	178.38	**253.57**

@In relation to the IPO expenses incurred for the secondary sales of shares by certain shareholders of the Holding Company during the year ended 31 March 2019, the selling shareholders at that time had confirmed that the expenses incurred by the Holding Company till date and future expenses (including any tax reimbursements) will be reimbursed by each of them on a proportionate basis (i.e. in proportion

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

to the respective shares sold in the offer for sale portion of the IPO by such selling shareholders). These expenses had been approved by the selling shareholders in accordance with the agreement and such reimbursements will be recovered through cashflows received from such exit. However, the said secondary sale was cancelled and the aforesaid selling shareholders bore the aforesaid IPO expenses.

Management revived its Initial Public Offer (IPO) plan by way of primary and secondary sales of shares during the year ending 31 March 2021. Further, in relation to the fresh IPO expenses incurred till date and future expenses (including any tax reimbursements), the Holding Company and the selling shareholders had confirmed that the expenses incurred by the Holding Company will be shared between the Holding Company and the selling shareholders in proportion to the number of shares issued in case of a fresh issue or offered for sale portion of the IPO by such selling shareholders. These expenses had been approved by the selling shareholders in accordance with the agreement and such reimbursements were be recovered through cashflows received from such exit. Refer note 55.

19 Other current assets

	As at 31 March 2022	As at 31 March 2021
Advances recoverable in cash or kind		
-Unsecured and considered good	81.92	65.74
-Consider doubtful	13.07	11.90
Less: Provision for doubtful advances recoverable in cash or kind	(13.07)	(11.90)
Prepaid expenses	17.62	13.77
Right to recover returned goods	6.48	6.40
Balances with statutory/government authorities		
- Considered good	37.59	4.06
	143.61	**89.97**

20 Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
65,000,000 (As at 31 March 2021: 65,000,000) equity shares of Rs. 10/- each	650.00	576.00
Issued, subscribed and paid-up		
58,815,325 (as at 31 March 2021: 58,746,514) equity shares of Rs. 10/- each	588.15	587.47
	588.15	**587.47**

a. Terms and rights attached to equity shares

(i) The Company has issued one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

(ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount
Outstanding as at 1 April 2020	5,72,67,922	572.68
Shares issued during the year	14,08,592	14.09
Share based options exercised during the year	70,000	0.70
Outstanding as at 31 March 2021	**5,87,46,514**	**587.47**
Shares issued during the year	-	-
Share based options exercised during the year	68,811	0.69
Outstanding as at 31 March 2022	**5,88,15,325**	**588.15**

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

c. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs.10 each fully paid				
Anoop Bector	1,25,50,800	21.34%	1,25,50,800	21.36%
Anoop Bector (AB Family Trust)	59,55,462	10.13%	59,55,462	10.14%
Ishaan Bector (IB Family Trust)	47,63,111	8.10%	47,63,111	8.11%
Suvir Bector (SB Family Trust)	47,63,111	8.10%	47,63,111	8.11%
GW Crown Pte Limited	47,12,163	8.01%	47,12,163	8.02%
Linus Private Limited	46,13,846	7.84%	46,13,846	7.85%

d. Promotor Shareholding

Promoter Name	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Anoop Bector	1,25,50,800	21.34%	0.00%	1,25,50,800	21.36%	-45.07%
Anoop Bector HUF	20,05,970	3.41%	0.00%	20,05,970	3.41%	0.00%
Ishaan Bector	100	0.00%	0.00%	100	0.00%	-100.00%
Rashmi Bector	100	0.00%	0.00%	100	0.00%	-99.99%
Suvir Bector	100	0.00%	0.00%	100	0.00%	-99.99%
Anoop Bector (AB Family Trust)	59,55,462	10.13%	0.00%	59,55,462	10.14%	0.00%
Ishaan Bector (IB Family Trust)	47,63,111	8.10%	0.00%	47,63,111	8.11%	0.00%
Suvir Bector (SB Family Trust)	47,63,111	8.10%	0.00%	47,63,111	8.11%	0.00%
Total	**3,00,38,754**	**51.07%**	**0.00%**	**3,00,38,754**	**51.13%**	**0.00%**

e. Aggregate number of shares allotted or fully paid up during the last five years immediately preceding balance sheet date pursuant to contract without payment received in cash and/or by way of fully paid bonus shares

	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	2,86,33,811	-
	-	-	-	-	2,86,33,811	-

f. Shares reserved for issue under options

Information relating to Company's option plan, including details of options issued, exercised, and lapsed during the year and options outstanding at the end of the reporting year, is set out in note 48.

21 Other equity

		As at 31 March 2022	As at 31 March 2021
a	**Capital reserve**		
	Balance at the beginning of the year	13.17	13.17
	Less: Movement during the year	-	-
	Balance at the end of the year	**13.17**	**13.17**

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
b	**Securities premium**		
	Balance at the beginning of the year	628.38	243.92
	Add:- Shares issued during the year	-	391.31
	Add:- Share based options exercised during the year	16.34	15.86
	Less: Utilised for IPO expenses	-	(22.71)
	Balance at the end of the year	**644.72**	**628.38**
c	**Retained earnings**		
	Balance at the beginning of the year	3,059.63	2,337.24
	Add: Profit for the year	571.43	722.76
	Add: Other comprehensive (loss) for the year	8.12	(0.37)
	Less: Final dividend for FY 2020-21	(141.11)	-
	Less: Interim dividend for FY 2021-22	(73.52)	-
	Balance at the end of the year	**3,424.55**	**3,059.63**
d	**Share options outstanding account**		
	Balance at the beginning of the year	4.89	8.33
	Share based expense	0.43	0.90
	Employee stock option exercised during the year	(5.02)	(4.34)
	Balance at the end of the year	**0.30**	**4.89**
e	**General reserve**		
	Balance at the beginning of the year	18.88	18.88
	Less: Movement during the year	-	-
	Balance at the end of the year	**18.88**	**18.88**
	Total	**4,101.62**	**3,724.95**

Nature of reserves

Capital reserve

Capital reserve is on account of the business combination transaction as per the Court Scheme dated 04 July 2014.

Securities premium

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

Remeasurement of defined benefit plans (included in retained earnings)

Remeasurements of defined benefit plans represents the following as per Ind AS 19, employee benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

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Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under the employee stock option scheme.

	As at 31 March 2022	As at 31 March 2021
Dividends		
The following dividends were declared by the Company during the year:		
Interim Dividend - Rs. 1.25 per equity share (31 March 2021: Rs. Nil)	73.52	-
Final Dividend - Rs. 1.25 per equity share (31 March 2021: Rs. 2.40)	73.52	141.11
Total	**147.04**	**141.11**
Dividend paid during the year		
Interim Dividend	73.52	-
Final Dividend*	140.98	-
Total	**214.50**	**-**

* Amount due include dividend remaining unpaid. Refer note 28.

The final dividend paid by the Group during the year, which was declared in the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. As stated in Note 21 to the financial statements, the Board of Directors of the Group has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

22 Non-current borrowings

	As at 31 March 2022	As at 31 March 2021
Term loans (Refer note (a))		
From banks (Secured) @	1,131.62	1,253.08
Vehicle loans (Refer note (a))		
From banks (Secured)		
From Others (Secured)	13.83	21.45
	11.43	-
Total non-current borrowings	**1,156.88**	**1,274.53**
Less: Current maturities of long term debt @	(274.21)	(124.16)
Less: Interest accrued but not due on borrowings @	(2.39)	(2.07)
Non-current borrowings	**880.28**	**1,148.30**

(a) Terms and conditions of outstanding borrowings are as follows:

Particulars	ICICI Bank Limited*	HDFC Bank Limited**	Vehicle loans***	Interest accrued but not due	Total
Principal amount					
As at 31 March 2022	**563.20**	**566.14**	**25.15**	**2.39**	**1,156.88**
As at 31 March 2021	**611.36**	**639.77**	**21.33**	**2.07**	**1,274.53**
Year of maturity	2028-29	2027-28	2024-25	-	-
Term of repayment	monthly basis	monthly basis	monthly basis	-	-
Nominal Interest rate	**6.00% - 6.90%**	**6.00% - 7.20%**	**7.25% - 9.10%**	**-**	**-**

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

* The term loan of ICICI Bank Limited is secured by exclusive charge on all moveable and immovable fixed assets (PPE) both current and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant.

** The term loan of HDFC Bank Limited is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Greater Noida unit. These loans are further secured by way of collateral security of equitable mortgage of factory land measuring 18,720 Sqm situated at 11- A, Udyog Vihar, Greater Noida.

***Vehicle loans taken from banks and others are secured by hypothecation of respective vehicles.

Term Loans

Name of the lender	Penalty Clause	Prepayment
ICICI Bank Limited	Default interest Rates in respect of Domestic term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate +2% per annum payable monthly, from the due date till such time the overdue amount is paid. Default interest Rates in respect of International term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% per annum payable monthly, from the due date till such time the overdue amount is paid.	1% of the prepayment amount

(b) Net debt reconciliation

The following sections sets out an analysis of net debt and the movements in net debt for each of the year presented:

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	324.73	347.35
Bank balances other than cash and cash equivalents	506.07	500.11
Other financial assets	39.11	35.62
Lease liabilities (current and non-current)	(69.95)	(15.38)
Current borrowings	(405.20)	(156.68)
Non-current borrowings (excluding interest accured)	(1,154.49)	(1,272.46)
Interest accrued but not due on borrowings	(2.39)	(2.07)
Net debt	**(762.12)**	**(563.51)**

	Financial assets				Liabilities from financing activities			
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	Total
Net debt as at 1 April 2021	347.35	500.11	35.62	(1,272.46)	(156.68)	(2.07)	(15.38)	(563.51)
Cash flows	(22.62)	5.96	3.49	117.97	(248.52)	-	10.66	(133.06)
Interest expense	-	-	-	-	-	(67.74)	(3.06)	(70.80)
Interest paid	-	-	-	-	-	67.42	-	67.42
Other non-cash movements								-
- Acquisitions	-	-	-	-	-	-	(62.17)	(62.17)
Net debt as at 31 March 2022	**324.73**	**506.07**	**39.11**	**(1,154.49)**	**(405.20)**	**(2.39)**	**(69.95)**	**(762.12)**

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

	Financial assets				Liabilities from financing activities			
	Cash and cash equivalents	Bank balances other than cash and cash equivalents	Margin money deposits (Non-current)	Non-Current borrowings	Current borrowings	Interest on borrowings	Lease liabilities (current and non-current)	Total
Net debt as at 1 April 2020	206.99	95.50	0.26	(1,131.14)	(180.51)	(2.41)	(26.81)	(1,038.12)
Cash flows	140.36	404.61	35.36	(141.32)	23.83	-	11.63	474.47
Interest expense	-	-	-	-	-	(95.20)	(1.64)	(96.84)
Interest paid	-	-	-	-	-	95.54	-	95.54
Other non-cash movements								
- Deletions	-	-	-	-	-	-	1.44	1.44
Net debt as at 31 March 2021	**347.35**	**500.11**	**35.62**	**(1,272.46)**	**(156.68)**	**(2.07)**	**(15.38)**	**(563.51)**

23 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Compensated absences (refer note 46)	18.11	21.06
Gratuity (refer note 46)	47.38	53.08
	65.49	**74.14**

24 Income Tax

A. Amounts recognised in profit or loss

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense		
Current year	198.84	238.03
Tax adjustment for earlier years	(14.71)	(5.82)
	184.13	232.21
Deferred tax credit		
Changes in recognised temporary differences	1.68	15.76
	1.68	15.76
Total Tax Expense	**185.81**	**247.97**

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
	10.85	(2.73)	8.12	(0.48)	0.11	(0.37)
Defined benefit plan	**10.85**	**(2.73)**	**8.12**	**(0.48)**	**0.11**	**(0.37)**

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

C. Reconciliation of effective tax rate

	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Rate	Amount	Rate	Amount
Profit before tax	25.17%	757.24	25.17%	970.73
Tax using the Group's domestic tax rate		190.58		244.31
Tax effect of:				
Non-deductible expenses	0.48%	3.62	0.39%	3.75
Tax adjustments related to earlier years	-1.11%	(8.41)	0.00%	-
Others	0.00%	0.02	-0.01%	(0.09)
Tax expense	**24.54%**	**185.81**	**25.54%**	**247.97**

D. Movement in deferred tax balances

	As at 1 April 2021	Recognized in P&L	Recognized in OCI	As at 31 March 2022
Deferred Tax Liability				
Property, plant and equipment	181.79	4.38	-	186.17
Right-of-use assets	3.68	13.06	-	16.74
Sub- Total (a)	**185.47**	**17.44**	**-**	**202.91**
Deferred Tax Assets				
Provisions - employee benefits	**24.05**	**11.60**	**(2.73)**	**32.92**
Allowances on doubtful receivables	24.34	(4.86)	-	19.48
Deferred income on grants	31.51	(4.96)	-	26.55
Others	10.74	13.98	-	24.72
Sub- Total (b)	90.64	15.76	(2.73)	103.67
Deferred tax Liabilities (net) (a)-(b)	**94.83**	**1.68**	**2.73**	**99.24**

	As at 1 April 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
Deferred Tax Liability				
Property, plant and equipment	200.73	(18.94)	-	181.79
Right-of-use assets	6.47	(2.79)	-	3.68
Sub- Total (a)	**207.20**	**(21.73)**	**-**	**185.47**
Deferred Tax Assets				
Provisions - employee benefits				
Allowances on doubtful receivables	20.89	3.05	0.11	24.05
Deferred income on grants	25.58	(1.24)	-	24.34
Others	37.47	(5.96)	-	31.51
Sub- Total (b)	44.08	(33.34)	-	10.74
Deferred tax Liabilities (net) (a)-(b)	**128.02**	**(37.49)**	**0.11**	**90.64**
	79.18	**15.76**	**(0.11)**	**94.83**

25 Other non-current liabilities

	As at 31 March 2022	As at 31 March 2021
Deferred income on government grants	85.33	104.33
	85.33	**104.33**

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

The Group was awarded grants under Export Promotion Capital Goods Scheme (EPCG), Agricultural and Processed Food Products Export Development Authority (APEDA), Technology Upgradation, Establishment, Modernisation of Food Processing Industries under NMFP and Scheme for Cold Chain and Value Addition Infrastructure. The Group has not received any grant of capital nature during the year ended 31 March 2022 and 31 March 2021. The grants received in earlier years were conditional upon fulfillment of export obligations in case of EPCG purchase of specified plant and machinery in a specified region. The amount received under grants is recognised as deferred income and is being amortised over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

26 Current borrowings

	As at 31 March 2022	As at 31 March 2021
Loans from banks repayable on demand (secured)*	130.99	32.52
Current maturities of long-term debt (refer note 22)	274.21	124.16
	405.20	**156.68**

"The Group has also taken the working capital limits from HDFC Bank Limited which are secured against entire current assets (existing and future) of Noida Unit. The facilities availed from HDFC Bank Limited carries floating rate of interest @ MCLR + 0.30% @ ranging from 6.00% to 7.20% per annum (MCLR + 0.30% @ ranging from 7.20% to 8.75% per annum for the year ended 31 March 2021). (Refer Note 15 cash and cash equivalents)

The Group has also taken the working capital limits from ICICI Bank Limited which are secured by exclusive charge on all moveable and immovable fixed assets (PPE) both current and future of the Rajpura, Phillaur and Tahliwal plant. These loans are further secured by exclusive charge on current assets both present and future of the Rajpura, Phillaur and Tahliwal plant. The facilities availed from ICICI Bank Limited carries floating rate of interest @ Repo rate + 3.00% spread ranging from 6.00% to 7.00% per annum (MCLR + 0.60% ranging from 7.50% to 8.75% per annum for the year ended 31 March 2021).

The Group has also taken working capital limits from Axis Bank Limited against fixed deposits. The facilities availed from Axis Bank Limited carries floating rate of interest @ FD rate + 0.05-0.10% ranging from 3.60% to 5.20% per annum (Nil per annum for the year ended 31 March 2021).

Name of the lender	Penalty Clause
ICICI Bank Limited	In event of default, bank is either of facility at liberty to recall all the facility extended to the Group. 1 % (The rate will be over and deemed to be an event of above the interest rate of the default for all other facility facility) on the limit amount for the delayed period will be charged for the Group for the default period.
HDFC Bank Limited	The bank reserves the right to charge an additional 2% per annum interest rate over and above the normal interest rate on the outstanding amount in case of non-submission of renewal documents. Commitment charges @0.50% per annum to be charged on quarterly basis on the entire unutilized portion if average utilization is less than 60%.

27 Trade Payables

	As at 31 March 2022	As at 31 March 2021
Trade payables	89.50	52.69
Total outstanding dues of micro enterprises and small enterprises*	487.32	519.94
Total outstanding dues of creditors other than micro enterprises and small enterprises**	**576.82**	**572.63**

Trade payable ageing schedule

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

As at 31 March 2022	Unbilled	Not Due	< 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro and small enterprises	-	59.85	29.65	-	-	-	89.50
Total outstanding dues of creditors other than micro and small enterprises	100.33	244.97	140.92	0.46	0.06	0.58	487.32
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro small enterprises	-	-	-	-	-	-	-
Total	**100.33**	**304.82**	**170.57**	**0.46**	**0.06**	**0.58**	**576.82**

As at 31 March 2021	Unbilled	Not Due	< 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro and small enterprises	-	42.67	9.74	-	0.28	-	52.69
Total outstanding dues of creditors other than micro and small enterprises	171.01	254.46	91.48	1.01	1.52	0.46	519.94
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro small enterprises	-	-	-	-	-	-	-
Total	**171.01**	**297.13**	**101.22**	**1.01**	**1.80**	**0.46**	**572.63**

* Refer note 45 for disclosures required under MSMED Act.

**Includes dues to related parties (refer note 47)

28 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2.39	2.07
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises*	8.65	16.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	30.46	48.88
Unpaid dividends	0.13	-
Security and other trade deposits	40.68	31.22
	82.31	**98.71**

* Refer note 45 for disclosures required under MSMED Act.

29 Other current liabilities

Deferred income		
Government grants (refer note 25)	20.15	20.86
Advances from customers (Contract liability)	48.77	41.31
Refund liability	10.69	17.47
Statutory dues payable	21.37	20.24
Employee payable*	127.85	88.74
	228.83	**188.62**

*Includes dues to related parties (refer note 47)

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

30 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision For Employee Benefits (Refer Note 46)		
Compensated absences	4.24	1.68
Gratuity	6.92	3.30
Others:		
Provision for litigation (refer note (a))	26.49	25.14
	37.65	**30.12**

a) Provision for litigation*

Balance at the commencement of the year	25.14	145.42
Add: Provision made during the year	1.73	4.52
Less: Provision utilised/reversed during the year	(0.38)	(124.80)
Balance at the end of the year	**26.49**	**25.14**

*refer note 42A(c) for details of pending litigation

31 Current tax liabilities (net)

Income tax (net of advance tax)	0.68	15.47
	0.68	**15.47**

32 Revenue from operations

Sale of products	9,035.12	8,085.61
Sale of services*		
Job work income	490.27	410.25
Total (A)	**9,525.39**	**8,495.86**
Other operating revenue		
Export incentives #	136.26	153.84
Net gain on account of foreign exchange fluctuations	67.23	37.49
Sale of scrap	68.20	44.31
Others*	84.65	75.76
Total (B)	**356.34**	**311.40**
Total revenue from operations (A + B)	**9,881.73**	**8,807.26**

Reconciliation of revenue recognized with the contracted price is as follows:

Contracted price	9,976.33	8,913.99
Reductions towards variable consideration components (discounts, rebates and others)	450.94	418.13
Revenue recognised	**9,525.39**	**8,495.86**

The Group has accrued following export incentives of Rs. 136.26 (31 March 2021 Rs. 153.84).

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

a) Incentive under Merchandise Exports from India Scheme of Rs. 0.94 (31 March 2021 Rs. 53.97)

b) Duty Free Import Authorization of Rs. 113.79 (31 March 2021 Rs. 93.43)

c) Incentive under Transport and Market Assistance Scheme of Rs. 21.53 (31 March 2021 Rs. 6.44)

Contract Balances

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ sale of goods. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards sale of goods. Revenue is recognised once the performance obligation is met i.e. on sale of goods.

	As at 31 March 2022	As at 31 March 2021
Contract liabilities		
- Advances from customer	48.77	41.31
- Refund liability	10.69	17.47
Contract Assets		
- Receivables, which are included in trade receivables	749.65	719.72

Note: Considering the nature of business of the Group, the above contract liabilities are generally materialised as revenue and contract assets are converted into cash/trade receivables within the same operating cycle.

* Also refer note 44

33 Other Income

Interest income from financial assets at amortized cost	36.30	18.76
Interest income from others	0.95	1.14
Government grants (refer note 25)	19.70	23.69
Net profit on sale/write off of property, plant and equipment	4.73	0.28
Liabilities no longer required written back*	-	55.84
Other miscellaneous income **	1.08	1.55
	62.76	**101.26**

* Also refer note 42

** Also refer note 44

34 Cost of materials consumed

Raw materials (including purchased components and packing material consumed)		
Opening inventories	275.20	209.28
Add: Purchases (net)	5,574.27	4,744.13
Less: Closing inventories	489.16	275.20
	5,360.31	**4,678.21**

35 Purchase of stock-in-trade

Purchase of stock-in-trade	155.85	6.30
	155.85	**6.30**

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

36 Changes in inventories of finished goods, stock-in- trade and work-in-progress

	As at 31 March 2022	As at 31 March 2021
Opening inventories		
Finished goods	259.58	192.11
Work-in-progress	1.41	0.48
Stock-in-trade	-	0.42
Total (A)	**260.99**	**193.01**
Closing inventories		
Finished goods	264.51	259.58
Work-in-progress	1.46	1.41
Stock-in-trade	-	-
Total (B)	**265.97**	**260.99**
Total (A-B)	**(4.98)**	**(67.98)**

37 Employee benefits expense

Salaries and wages	1,278.92	1,175.76
Contribution to provident and other funds (refer note 46)	66.66	57.34
Share-based payment to employees (refer note 48)	0.43	0.90
Staff welfare expenses	31.71	34.56
	1,377.72	**1,268.56**

38 Finance costs *

Interest expense on financial liabilities measured at amortised cost :		
Loan from banks	57.47	79.33
Lease liabilities (refer note 5)	3.06	1.64
Others	10.27	14.23
	70.80	**95.20**

39 Depreciation and amotisation expense

Depreciation on property, plant and equipment	447.82	429.77
Depreciation on right-of-use assets (refer note 5)	11.86	11.34
Amortisation on other intangible assets	0.31	5.72
	459.99	**446.83**

40 Other expenses

Rent (refer note 5 and note 44)	22.34	19.63
Rates and taxes	10.47	10.34
Power and fuel #	485.49	386.65
Repair and maintenance:		
Plant and machinery	54.63	63.75
Buildings	11.89	10.92

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Others	7.28	7.69
Travelling and conveyance #	81.00	59.68
Payment to auditor (refer note (a) below)	7.26	6.46
Legal and professional fees #	24.05	18.29
Printing and stationery	4.36	3.36
Net change in fair value of financial assets measured at fair value through profit and loss	-	-
Advertisement and sales promotion	73.37	104.42
Consumption of stores and spare parts	50.60	39.86
Commission and brokerage	6.63	6.46
Communication costs	9.62	7.80
Directors' remuneration	72.57	56.62
Freight and forwarding	779.99	607.18
Insurance	25.40	20.60
Net loss on sale of property, plant and equipment	-	0.44
Allowances on trade receivable and other advances	0.92	42.67
Bank charges #	2.95	3.72
Expenditure on Corporate social responsibility (refer note 53)	13.98	11.61
Miscellaneous expenses #	23.17	23.45
	1,767.97	**1,511.60**

(a) Payment to auditors*

As auditor		
Statutory audit	5.02	5.48
Limited Review	1.72	0.65
Certification	0.15	0.23
Reimbursement of Expenses	0.37	0.10
	7.26	**6.46**

* Excludes fees paid to statutory auditor of Rs. Nil (previous year - Rs. 17.17) including reimbursement of expenses amounting Rs. Nil (previous year - Rs. 0.67) for IPO related expenses,. Also refer note 55.

Also refer note 4

41 Earning per share (EPS)

BASIC EARNINGS PER SHARE		
Profit for basic earning per share of Rs. 10 each		
Profit for year	571.43	722.76
Weighted average number of equity shares for (basic)		
Balance at the beginning of the year	58.75	57.27
Effect of issue of shares	-	0.39
Effect of issue of ESOP shares	0.05	0.02
	58.79	**57.68**
Basic Earnings per share (face value of Rs 10 each)	**9.72**	**12.53**
DILUTED EARNINGS PER SHARE		
Profit for diluted earning per share of Rs. 10 each		
Profit for year	571.43	722.76

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Weighted average number of equity shares for (diluted)		
Balance at the beginning of the year	58.75	57.27
Effect of issue of shares	-	0.39
Effect of issue of ESOP shares	0.05	0.02
Effect of employee stock options	0.00	0.04
	58.80	**57.72**
Diluted Earnings per share (face value of Rs. 10 each)	**9.72**	**12.52**

42 Contingent liabilities, contingent assets and commitments

A. Contingent Liabilities

On the basis of current status of below-mentioned individual cases and as per legal advice obtained by the Group, wherever applicable, the Group is confident that the outcome in the below cases would be in the favour of the Group and is of view that no provision is required in respect of these cases.

		As at 31 March 2022	As at 31 March 2021
a.	Claims against the Group not acknowledged as debts (The Group expects a favourable outcome against all the cases):		
	I) Income Tax related matters	**38.10**	**38.10**
	i) Relating to Income tax demand on certain disallowance for AY 2010-11*	0.00	0.00
	ii) Relating to Income tax demand on certain disallowance for AY 2011-12	0.13	0.13
	iii) Relating to Income tax demand on certain disallowance for AY 2013-14	1.83	1.83
	iv) Relating to Income tax demand on certain disallowance for AY 2015-16	0.18	0.18
	v) Relating to Income tax demand on certain disallowance for AY 2017-18	28.89	28.89
	vi) Relating to Income tax demand on certain disallowance for AY 2018-19	7.07	7.07

*The total amount of income tax demand in absolute value is Rs. 4,238, but for reporting purpose rounded upto Rs. 0.00 million.

II) Sales tax related matters	As at 31 March 2022	As at 31 March 2021
i) Sales Tax demand for assessment year 2005-06 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	3.01	3.01
ii) Sales Tax demand for assessment year 2006-07 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	4.83	4.83
iii) Sales Tax demand for assessment year 2012-13 on account of sales tax liability on taxable sales not deposited in the state of Maharashtra	-	0.88

III) Civil matters	As at 31 March 2022	As at 31 March 2021
i) Stamp duty case for the plot taken on 99 years lease in Noida	9.10	9.10

		As at 31 March 2022	As at 31 March 2021
b.	Others		
	Differential amount of Customs Duty payable by the Group in case of non fulfilment of export obligation against the import of capital goods made at concessional rate of duty. Based on the past sales performance and the future sales plan, management is quite hopeful to meet out the obligations by executing the required volume of exports in future.	11.13	26.63

Notes to consolidated financial statements

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Customs Duty saved against Bonded Manufacturing Scheme (MOOWR scheme) on import of capital goods. The Group has submitted bonds of Rs. 308.90 million (previous year - Rs. 308.90 million) which represents three times of duty saved. Duty will be payable in case of domestic sale of capital goods. Based on Group's assessment of use of capital goods, management is quite hopeful that liability will not arise for the same.	102.83	102.83
Impact of bonus due to restrospective amendment in the Payment of Bonus Act, 1965 for the financial year 2014-15 since matter is sub-judice in similar case	10.48	10.48

The Group had entered into lease agreement with M.P Audyogik Kendra Vikas Nigam Indore Ltd (authorities) on 12 Feb 2018 for lease of land in Industrial Park, District Dhar (M.P), possession for which was received by the Company on 21 March 2018. As per MP Industrial Development Corporation Limited "MPIDC" policy, commercial production was required to be started within four years from the date of possession. Due to Covid 19 and major economic disruption, the Group had initially filed an extension letter on 10 February 2022 stating its intention to commence commercial production from 1 April 2024. Subsequent to the year end and basis discussion the MPIDC officials, Group has filed a fresh extension letter on 24 May 2022 wherein it has now proposed to commence construction of the boundary wall in August 2022 and to commence commercial production from December 2023. In response, MPIDC vide letter dated 27 May 2022 has advised the Group that now, Group still has time till October 2022 to commence commercial production after considering notifications already issued granting extensions owing to COVID 19. Per management's discussions with the government officials, extension as requested will be granted to the Group nearer to the above end date. The Board of Directors in its meeting held on 28 May 2022 have approved the aforesaid revised plan for construction of the manufacturing facility at Indore and are confident that the Group will be able to obtain extension as may be required in due course without any significant penalty / charge levied by MPIDC.

On 31 March and 1 April 2022, a team of officers headed by Superintendent CGST, Gautam Budh Nagar (Noida) reached the Noida Factory of the Group to conduct search proceedings in factory. As part of the process, a stock take was performed, and no discrepancies were identified. Further, no goods were seized. The Officers took photocopies of sample purchase order/ sales invoice and the sales register for 2020-2021 and 2021 -2022. As part of the Panchnama, the offices alleged that the Kulcha and Buns should be subjected to GST and directed the plant head to deposit INR 1.5 crores within the same date i.e. 1 April 2022 and the remaining amount along GSTR returns. The department also issued summons to tender statements, provide evidence of amount deposited, receive sale register from Jul 2017 till March 2022. As a next step, the Group deposited Rs. 30 lakhs as amount paid under protest on 2 April 2022. On 4 April 2022, Group CFO has submitted to department, basis legal opinion obtained, that Kucha and Bunfills are both tax free and officer tried to recover the amount without adjudication which is not permissible under the CGST Act. Recovery of amount without adjudication amounts to denial of justice and denial of principals of natural justice which is enshrined in constitution of India. Group has further submitted, process flow of bread and kulcha along with extract of sale ledger to the department on 7 April 2022. The Group does not expect any liability to arise on this matter.

c. Other pending litigations

(a) The Group had obtained a stay against Himachal Pradesh Government order levying entry tax @ 2% on goods entering the state. The same was reduced to 1% with effect from 13 July 2011 and thereafter increased to 2% with effect from 1 March 2014. The Hon'ble High Court had stayed the matter in an earlier year. The Group had provided for the estimated amount of entry tax including interest in the books of account. During previous year ended 31 March 2021, the Group has opted for the H.P. (Legacy Cases Resolution) Scheme 2019 and paid Rs. 65.70 as full and final settlement towards the entry tax liability as against Rs. 123.79 provision in the books of account. Accordingly, an amount of Rs. 55.43 had been written back and disclosed under "Liabilities no longer required written back" in Other Income and an amount of Rs. 2.60, representing interest accrued on the principal amount for the current year, was netted from "Others" in Finance costs.

(b) The Group had obtained a stay against Punjab VAT Act levying entry tax on Furnace Oil on the basis of High Court judgment delivered on the same point in an another case which is pending before Supreme Court. The estimated amount of tax and interest thereon upto 31 March 2022 of Rs. 4.83 (31 March 2021 Rs. 4.52) (including interest of Rs. 3.14 (31 March 2021 Rs. 2.82)) has been provided in the books of accounts.

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(c) A demand of Rs. 2.37 and Rs. 3.75 related with FY 2008-09 and FY 2009-10 respectively is pending with DETC, Ludhiana. The matter is related with input tax credit claimed by assesse on purchase of HSD. The Group has demanded to start the proceeding without depositing the 25% of amount demanded. The department has rejected the appeal of the Group. The Group filed the writ petition in High Court which accepted the contention of assessee & remanded the case back to DETC, Ludhiana. The Group had created the provision in books for amount demanded and has also accrued the interest @ 1.5% per month. Therefore the provision for an amount of Rs. 6.20 (31 March 2021 Rs. 5.77) and Rs. 10.45 (31 March 2021 Rs. 9.78) includes an interest of Rs. 3.83 (31 March 2021 Rs. 3.40) and Rs. 6.70 (31 March 2021 Rs. 6.03) respectively.

(d) A demand of Rs. 1.91 (31 March 2021 Rs. 1.91), 1.60 (31 March 2021 Rs. 1.60), 0.09 (31 March 2021 Rs. 0.09) and 0.16 (31 March 2021 Rs. Nil) for assessment year 2013-14, 2014-15, 2016-17 and 2017-18 respectively on account of pending C forms and F forms raised by Deputy Commissioner, Gautam Budh Nagar Noida, Uttar Pradesh pending to be deposited with the sales tax department has been provided for in the books of accounts.

(e) A demand of Rs. 0.12 (31 March 2021 Rs. 0.12), 0.82 (31 March 2021 Rs. 0.82) and 0.15 (31 March 2021 Rs. 0.15) for assessment year 2011-12, 2012-13 and 2013-14 respectively on account of pending C forms and F forms raised by VAT Officer, Delhi pending to be deposited with the sales tax department has been provided for in the books of accounts.

d. Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and year from which the same applies. The Group has assessed that there was no impact of the same for current year since providend fund was already deducted on such special allowance for current year.

Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Group had not recognised any provision for the periods prior to 28 February 2019. Further, management also believes that the impact of the same on the Group will not be material.

B. Contingent Assets

The Group has filed for receiving grant from Ministry of Food Processing Industries under Scheme for Cold Chain and Value Addition Infrastructure amounting to Rs. 96.88. The Group has received grant amounting to Rs. 61.81 till period ended 31 March 2022 (Rs. 61.81 till the year ended 31 March 2021). This grant is conditional upon fulfillment of conditions specified in the scheme and as approved by the authorities. The Group expects that it is more likely than not that, it will receive the balance instalment of grant amounting to Rs. 35.07 in future periods as and when approved.

C. Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 131.47 (as on 31 March 2021 Rs. 35.13).

43 Segment reporting

Basis for segmentation

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's management and internal reporting structure.

Operating Segments

The Group's Board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger and acquisition, and expansion of any new facility.

In the opinion of the Board, there is only one reportable segment ("Revenue from food products"). Accordingly, no separate disclosure for segment reporting is required to be made in the consolidated financial statements of the Group.

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Entity wide disclosures

A. Information about products and services

		As at 31 March 2022	As at 31 March 2021
i)	**Revenue comprises :**	9,525.39	8,495.86
	Revenue from food products*		
	Total	**9,525.39**	**8,495.86**

*excludes other operating revenues.

B. Information about geographical areas

The geographical information analyses the Group's revenues by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

		As at 31 March 2022	As at 31 March 2021
i)	**Revenue from external customers:**		
	Within India	7,146.18	6,457.56
	Outside India	2,379.21	2,038.30
	Total	9,525.39	8,495.86

		As at 31 March 2022	As at 31 March 2021
ii)	**Receivables**		
	Within India	476.16	492.29
	Outside India	273.49	227.43
	Total	749.65	719.72

iii) Non-current assets

The Group has common non-current assets for producing goods/ providing services to domestic and overseas markets. Hence, separate figures for other assets/ additions to property plants and equipment have not been furnished.

C. Information about major customers (from external customers)

During the year ended 31 March 2022, Group does not have transactions with any single external customer having 10% or more of its revenue. (Rs. Nil for the year ended 31 March 2021).

D. Disaggregation of revenue

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition.

	As at 31 March 2022	As at 31 March 2021
6 months or less	9,525.39	8,495.86
Total	**9,525.39**	**8,495.86**

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Major product/ service line		
Sale of products	9,035.12	8,085.61
Sale of services		
Job work income	490.27	410.25
Total revenue	**9,525.39**	**8,495.86**

E. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	As at 31 March 2022	As at 31 March 2021
Duration		
Receivables, which are included in trade receivables	749.65	719.72
Contract liabilities	48.77	41.31
Refund liability	**10.69**	**17.47**

44 Leases

A. Leases as lessee:

a) The Group has taken various residential, office, warehouse and shop premises under lease agreements.

b) The aggregate lease rentals payable are disclosed in note 5 and note 40.

i. Leases as lessor

Operating lease

The Group has leased out a part of its building, plant and machinery under a job work arrangement. In addition, certain office premises have also been leased out. All these arrangements are under short term cancelable operating leases of less than 12 months.

Amounts recognised in profit or loss

During the year ended 31 March 2022, lease rentals of Rs. 79.74 (31 March 2021: Rs. 73.23) have been included in other operating revenue / other income (refer note 32 and 33). There is a contingency attached to the future lease income and are therefore can not be ascertained.

	For the year ended 31 March 2022	For the year ended 31 March 2021
Income generated from lease of building, plant and machinery under job work arrangement	79.61	73.10
Income generated from office premises lease	0.13	0.13

45 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at year end has been made in the consolidated financial statements based on information available with the Group as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	88.65	51.86
Capital creditors	4.45	12.36

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Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	0.85	0.83
Capital creditors	4.20	4.18
The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the year		
Trade payables	0.85	0.83
Capital creditors	4.20	4.18
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
Trade payables	0.85	0.83
Capital creditors	4.20	4.18

46 Employee benefits

The Group contributes to the following post-employment defined benefit plans.

(i) Defined Contribution Plans:

Provident fund

The Group makes contribution towards provident fund for employees. The Group's contribution to the Employees Provident Fund is deposited to the government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The contribution payable to the plan by the Group is at the rate specified under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

During the year, the Group has recognised the following amounts in the consolidated Statement of Profit and Loss (included in note 37 - Employee benefits expense):

Particulars	For the year ended	
	31 March 2022	31 March 2021
Contribution to provident fund	56.08	47.20

(ii) Defined Benefit Plan:

Gratuity

The Group operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. This scheme is funded by the plan assets.

The Parent Company employee's gratuity fund scheme is managed by Life Insurance Corporation of India and State bank of India Life Insurance. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to no ceiling. Vesting occurs upon completion of 5 years of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each year of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation."

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022 and 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at balance sheet date:

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability		
Liability for Gratuity	54.30	56.38
Total employee benefit liabilities	**54.30**	**56.38**
Non-current	47.38	53.08
Current	6.92	3.30

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (assets)/ liability and its components:

Particulars	For the year ended 31 March 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
BALANCE AS AT 1 APRIL 2021	116.76	60.38	56.38
Included in Profit or loss			
Current service cost	17.47	-	17.47
Interest cost (income)	7.94	4.11	3.83
	25.41	**4.11**	**21.30**
Included in OCI			
Remeasurements loss (gain)			
- financial assumptions	(6.21)	(0.95)	(5.26)
- demographic adjustments	-	-	-
- experience adjustment	(5.59)	-	(5.59)
	(11.80)	**(0.95)**	**(10.85)**
Other			
Return			
Contributions paid by the employer	-	5.40	(5.40)
Benefits paid	(7.97)	(0.84)	(7.13)
	(7.97)	4.56	(12.53)
BALANCE AS AT 31 MARCH 2022	**122.40**	**68.10**	**54.30**

Particulars	For the year ended 31 March 2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
BALANCE AS AT 1 APRIL 2020	97.42	53.26	44.16
Included in Profit or loss			
Current service cost	17.72	-	17.72
Interest cost (income)	6.74	3.68	3.06
Past service cost	-	-	-
	24.46	**3.68**	**20.78**

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

Included in OCI			
Remeasurements loss (gain)			
- financial assumptions	1.52	(0.58)	2.10
- demographic adjustments	-	-	-
- experience adjustment	(1.62)	-	(1.62)
	(0.10)	**(0.58)**	**0.48**
Other			
Return	-	7.00	(7.00)
Contributions paid by the employer	(5.02)	(2.98)	(2.04)
Benefits paid	(5.02)	4.02	(9.04)
Balance as at 31 March 2021	**116.76**	**60.38**	**56.38**

C. Plan assets

Plan assets comprise of the following

Particulars	As at 31 March 2022	As at 31 March 2021
Investments with Life insurance corporation	85.85%	85.13%
Investments with SBI life insurance	14.15%	14.87%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

On an annual basis, an asset-liability matching study is done by the Group whereby the Group contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

D. Actuarial assumptions

a) Economic assumptions

The following were the principal actuarial assumptions at the reporting date. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Group's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:-

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.22%	6.80%
Expected rate of future salary increase	7.00%	7.00%

b) Demographic assumptions

Attrition rates are the Group's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the Group , business plan, HR Policy etc as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the Group.

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Particulars	As at 31 March 2022	As at 31 March 2021
i) Retirement age (years)	7.22%	6.80%
	7.00%	7.00%
ii) Mortality rates inclusive of provision for disability	**100% of IALM (2012 - 14)**	
iii) Attrition at Ages	**Withdrawal rate (%)**	**Withdrawal rate (%)**
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.50% movement)	(7.03)	7.70	(7.04)	7.75
Expected rate of future salary increase (0.50% movement)	7.48	(6.89)	7.52	(6.90)

Senstivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2022	As at 31 March 2021
Duration of defined benefit payments		
Less than 1 year	6.92	3.30
Between 1-2 years	4.51	6.31
Between 2-5 years	14.34	13.89
Over 5 years	96.63	93.26
Total	**122.40**	**116.76**

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 17.42 years (31 March 2021: 17.50 years).

Expected contribution to post-employment benefit plans in the next year is Rs. 26.08 (31 March 2021: Rs. 25.33).

G. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

a) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

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c) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability."

(iii) Other long-term employee benefits:

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the year in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such year, the benefit is classified as a long-term employee benefit. During the year ended 31 March 2022, the Group has incurred an expense on compensated absences amounting to Rs. 6.13 (31 March 2021 Rs. 5.79). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

47 Related parties

A. Related parties and nature of relationship where control exists:

Associate

Cremica Agro Foods Limited

CSR Trust

Mrs. Bector Foundation

B. Key Managerial Personnel (KMP)

Anoop Bector	Managing Director
Ishaan Bector	Director
Suvir Bector	Director w.e.f. 1 April 2021
Parveen Kumar Goel	Executive Director and CFO
Nem Chand Jain	Independent Director till 16 March 2021
Subhash Agarwal	Independent Director
Rajeev Dewan	Independent Director
Rajni Bector	Non-executive Director till 31 March 2021
Tarun Khanna	Additional Director till 5 February 2021
Pooja Luthra	Independent Director w.e.f. 19 September 2020
Alok Kumar Misra	Independent Director w.e.f. 11 February 2022
Atul Sud	Company Secretary

C. Relatives of key management personnel having transactions with the Group

Relation	Anoop Bector	Ishaan Bector	Suvir Bector
Father	Dharamvir Bector *	Anoop Bector	Anoop Bector
Mother	Rajni Bector	Rashmi Bector	Rashmi Bector
Spouse	Rashmi Bector	Neha Gupta Bector	Mannat Jain Bector
Brother	Akshay Bector #	Suvir Bector	Ishaan Bector
	Ajay Bector #		
Son	Ishaan Bector	-	-
	Suvir Bector	-	-

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* Deceased on 26 December 2017.

Ceased to be related party w.e.f 8 December 2015 and 25 December 2014 respectively.

D. Related entities of KMP

Partnership firm

Sunshine Foods

Public/Private Limited Companies

Mrs. Bectors Cremica Dairies Private Limited

Hindu Undivided Family

Dharamvir and Sons (HUF)

Anoop Bector (HUF)

Parveen Goel (HUF)

Trust

Anoop Bector (AB Family Trust)

Ishaan Bector (IB Family Trust)

Suvir Bector (SB Family Trust)

E. Key management personnel compensation

Particulars	As at 31 March 2022	As at 31 March 2021
Short-term employee benefits	83.36	65.80
Post-employment defined benefit	0.79	0.47
Director sitting fees	0.40	0.43
Total compensation	**84.55**	**66.70**

F. Transactions with related parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these entities transacted with the Group during the reporting year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis. The aggregate value of the Group's transactions relating to key management personnel and entities over which they have control or significant influence is as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee stock option exercised		
- Parveen Kumar Goel	0.73	2.25
Reimbursement of IPO expense received		
- Anoop Bector	-	2.95
Unsecured loan repaid to		
- Anoop Bector	-	14.02
- Ishaan Bector	-	1.39

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	For the year ended 31 March 2022	For the year ended 31 March 2021
- Rajni Bector	-	0.03
Finance cost on loan taken		
- Anoop Bector	-	0.25
- Ishaan Bector	-	0.02
- Rajni Bector	-	0.00
Others		
Rent paid		
- Anoop Bector	4.62	4.62
- Anoop Bector HUF	3.00	3.00
Rent received		
- Cremica Agro Foods Limited	0.06	0.06
- Mrs. Bectors Cremica Dairies Private Limited	-	0.05
Contribution to provident and other funds		
- Rashmi Bector	1.04	0.96
- Neha Gupta Bector	0.32	0.60
- Suvir Bector	-	1.06
- Mannat Jain Bector	0.04	-
- Atul Sud	0.02	0.02
Interim dividend paid		
- Anoop Bector	45.81	-
- Anoop Bector HUF	7.32	-
- Ishaan Bector	0.00	-
- Rashmi Bector	0.00	-
- Suvir Bector	0.00	-
- Anoop Bector (AB Family Trust)	21.74	-
- Ishaan Bector (IB Family Trust)	17.39	-
- Suvir Bector (SB Family Trust)	17.39	-
- Parveen Kumar Goel	0.06	-
Consultancy charges paid		
- Subhash Agarwal	-	0.45
Professional charges		
- Rajni Bector	-	1.80
Amount paid for CSR expenditure		
Mrs. Bector Foundation	11.67	7.69
Salary paid		
- Rashmi Bector	9.24	8.25
- Rajni Bector	3.60	1.80
- Neha Gupta Bector	5.40	5.10
- Suvir Bector	-	9.00
- Mannat Jain Bector	0.37	-
- Atul Sud	1.19	1.07

* Transactions are net off goods and services tax wherever applicable.

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

G. Related party balances as at year end:

Outstanding balances	As at 31 March 2022	As at 31 March 2021
Trade and other payables		
- Anoop Bector	1.26	2.98
- Anoop Bector HUF	0.90	0.26
- Ishaan Bector	0.80	0.85
- Parveen Kumar Goel	0.60	0.90
- Mannat Jain Bector	0.20	-
- Rashmi Bector	0.51	0.04
- Neha Gupta Bector	0.20	0.28
- Suvir Bector	0.58	0.40
- Rajni Bector	0.20	0.39
- Ram Sanjeevan Verma	0.17	0.32
- Nem Chand Jain	-	0.02
- Subhash Agarwal	0.02	0.05
- Rajeev Dewan	0.02	0.05
- Pooja Luthra	0.02	0.05
- Atul Sud	0.07	0.06
Advances and other receivables		
- Cremica Agro Foods Limited	-	0.04
- Mrs. Bectors Cremica Dairies Private Limited	-	0.13
Non current investments		
- Cremica Agro Foods Limited	39.62	39.21

Note : Refer note 18 for IPO expenses recoverable from selling shareholders.

In the opinion of the management, all transactions were made on normal commercial terms and conditions and at arm's length price.

48 Share-based payment to employees

A. Description of share-based based payment to employees

i. Share option programme (equity-settled)

On 30 September 2017, the Holding Company established share option programme that entitle certain employees of the Holding Company to purchase shares in the Holding Company. Under these plans, holders of vested options are entitled to purchase shares at the exercise price of the shares at respective date of grant of options. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	42,951	349.24	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	27,920	349.24	3 years and 9 months service from grant date	Service conditions

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On 14 July 2017, the Holding Company modified share option programme by entitling grant holders of the Holding Company for bonus shares in the Holding Company in the ratio of 1:1.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	85,902	174.62	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	55,840	174.62	3 years and 9 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 3)	1-Oct-2018	34,359	174.62	2 years and 6 months service from grant date	Service conditions

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting year	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 4)	19-Sep-2020	11,454	174.62	1 year and 8 months service from grant date	Service conditions

B. Measurement of fair values

i. Equity-settled share-based based payment to employees

The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

	Employees Stock Option Plan - 2017 (Grant 1)	Employees Stock Option Plan - 2017 (Grant 2)	Employees Stock Option Plan - 2017 (Grant 3)	Employees Stock Option Plan - 2017 (Grant 4)
Fair value of options at grant date	124.01	143.94	75.12	71.62
Enterprise value per share ar grant date	347.08	347.08	190.00	203.55
Exercise price at the grant date	349.24	349.24	174.62	174.62
Exercise price after bonus issue	174.62	174.62	174.62	174.62
Expected volatility (weighted-average)	34.11%	34.56%	27.12%	51.49%
Expected life (weighted-average)	2 years	3 years	2 years	2 years
Expected dividends	0.27%	0.27%	0.00%	0.37%
Risk-free interest rate (based on government bonds)	6.36%	6.44%	8.02%	4.48%

Note

1. The fair value of options has been done by an independent merchant banker on the date of grant using the Black-Scholes Model.
2. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

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C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programme were as follows:

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
Employees Stock Option Plan-2017				
Options outstanding at the beginning of the year	72,871	174.62	1,31,417	174.62
Add: Options granted during the year	-	-	11,454	174.62
Less: Options forefeited during the year	-	-	-	-
Less: Options exercised during the year	68,811	-	70,000	174.62
Less: Options expired during the year	-	-	-	-
Options outstanding at the end of the year	4,060	174.62	72,871	174.62
Exercisable at the end of the year	3	174.62	38,748	174.62

The options outstanding at 31 March 2022 had an exercise price of Rs. 174.62 and a weighted-average contractual life of 0.05 years.

D. Expense recognised in statement of profit and loss

For details of the employee benefit expenses, refer note 37.

49 Financial instruments – Fair values and risk management

I. Accounting classifications and fair values

A. Financial instruments by category

Particulars	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Other non-current financial assets	-	39.11	-	35.62
Investments	-	64.87	-	61.71
Trade receivables	-	749.65	-	719.72
Cash and cash equivalents	-	324.73	-	347.35
Bank balances other than cash and cash equivalents	-	506.07	-	500.11
Current loans	-	4.82	-	-
Other current financial assets	9.40	168.98	7.24	246.33
	9.40	**1,858.23**	**7.24**	**1,910.84**
Financial liabilities				
Non-current borrowings	-	880.28	-	1,148.30
Short term borrowings	-	405.20	-	156.68
Non-current lease liabilities	-	58.76	-	9.80
Current lease liabilities	-	11.19	-	5.58
Trade payables	-	576.82	-	572.63
Other financial liabilities	-	82.31	-	98.71
	-	2,014.56	-	1,991.70

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for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	9.40	-	9.40

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Derivatives				
Foreign exchange forward contracts	-	7.24	-	7.24

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Particulars		Fair Value		Amortised Cost	
	Level	As at 31 March 2021	Amortised Cost	As at 31 March 2022	As at 31 March 2021
Financial assets	3	1,115.96	1,276.00	1,156.88	1,274.53

*The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

Valuation process

The finance department of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes for level 3 fair values. The Group relies on them for instruments measured using level 1 valuation The Group using quoted price/ NAV's published, for the derivative instruments measured using level fair values, the Group obtains the valuation from the bank from whome the derivatives are taken. This team reports directly to the Chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every year in line with the Group's reporting year.

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

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C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying	Fair value	Carrying	Fair value
Financial assets				
Other non-current financial assets	39.11	39.11	35.62	35.62
Investments	64.87	64.87	61.71	61.71
Trade receivables	749.65	749.65	719.72	719.72
Cash and cash equivalents	324.73	324.73	347.35	347.35
Bank balances other than cash and cash equivalents	506.07	506.07	500.11	500.11
Current loans	4.82	4.82	-	-
Other current financial assets	168.98	168.98	246.33	246.33
	1,858.23	**1,858.23**	**1,910.84**	**1,910.84**
Financial liabilities				
Non-current borrowings	880.28	880.28	1,148.30	1,148.30
Short term borrowings	405.20	405.20	156.68	156.68
Non-current lease liabilities	58.76	58.76	9.80	9.80
Current lease liabilities	11.19	11.19	5.58	5.58
Trade payables	576.82	576.82	572.63	572.63
Other current financial liabilities	82.31	82.31	98.71	98.71
	2,014.56	**2,014.56**	**1,991.70**	**1,991.70**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, short-term borrowings, trade payables, other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current borrowings represents approximate to fair values accordingly the same has not been discounted.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

II. Financial risk management

Risk management framework

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's internal auditor oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;

- liquidity risk; and

- market risk

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The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard payments and delivery terms & conditions are offered. The Group's review includes external ratings, if they are available, consolidated financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

A default on a financial asset is when counterparty fails to meet payment within ninty days when they fall due.

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the consolidated Statement of Profit and Loss within other expenses.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Security deposits

The Group furnished security deposits to its lessor for obtaining the premises on lease and margin money deposits to banks. The Group considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Group expects that there is an uncertainity in the recovery of deposit, it provides for suiatable impairment on the same.

Loss allowance as per expected credit loss

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using Expected Credit Losses		
Trade receivables	813.98	804.52
Export incentives receivables	133.43	139.19

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

Recociliation of loss allowance provision

Particulars	Trade Receivables	Total
Loss Allowance on 1 April 2020		
Change in Loss allowance	813.98	804.52
Loss Allowance on 31 March 2021	133.43	139.19
Change in Loss allowance	(20.47)	(20.47)
Loss Allowance on 31 March 2022	64.33	64.33

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

	Carrying amount		Contractual cash flows		
	As at 31 March 2022	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	880.28	880.28	-	828.97	51.31
Short term borrowings	405.20	405.20	405.20	-	-
Non-current lease liabilities	58.76	58.76	-	25.34	33.42
Current lease liabilities	11.19	11.19	11.19	-	-
Trade payables	576.82	576.82	576.82	-	-
Other current financial liabilities	82.31	82.31	82.31	-	-
Total	**2,014.56**	**2,014.56**	**1,075.52**	**854.31**	**84.73**

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

	Carrying amount		Contractual cash flows		
	As at 31 March 2021	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Financial liabilities					
Non-current borrowings	1,148.30	1,148.30	-	992.98	155.32
Short term borrowings	156.68	156.68	156.68	-	-
Non-current lease liabilities	9.80	9.80	-	-	9.80
Current lease liabilities	5.58	5.58	5.58	-	-
Trade payables	572.63	572.63	572.63	-	-
Other current financial liabilities	98.71	98.71	98.71	-	-
Total	**1,991.70**	**1,991.70**	**833.60**	**992.98**	**165.12**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of directors."

Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Currency risks related to the cash credit loan have been hedged using forward contracts taken by the Group.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

As at 31 March 2022	USD	Euro
Financial asset		
Trade receivables	3.55	0.06
Forward contracts receivables (including above trade receivables)	11.26	-
Total	**14.81**	**0.06**
Financial liabilities		
Payable for capital assets	-	0.21
Total	-	**0.21**
Net exposure to foreign currency risk	14.81	(0.15)
As at 31 March 2021	**USD**	**Euro**
Financial asset		
Trade receivables	3.44	0.14
Forward contracts receivables (including above trade receivables)	6.23	-

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

Total	**9.67**	**0.14**
Financial liabilities		
Payable for capital assets	0.01	0.33
Total	**0.01**	**0.33**
Net exposure to foreign currency risk	**9.66**	**(0.19)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against all other currencies as at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (1% movement)	11.20	(11.20)	8.38	(8.38)
EUR (1% movement)	(0.13)	0.13	(0.10)	0.10
31 March 2021				
USD (1% movement)	7.06	(7.06)	5.28	(5.28)
EUR (1% movement)	(0.16)	0.16	(0.12)	0.12

Interest rate risk

The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group cash flow to interest rate risk. Group normally maintains most of its long term borrowings at MCLR+0.30% to 0.60% in Rupees. Group has all the long term loans from HDFC Bank Limited and ICICI Bank Limited.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed-rate instruments		
Financial assets	508.55	504.47
Financial liabilities	-	-
	508.55	**504.47**

Particulars	As at 31 March 2022	As at 31 March 2021
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(1,290.26)	(1,309.12)
	(1,290.26)	**(1,309.12)**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by Rs.3.81 after tax (31 March 2021 Rs. 3.78). This analysis assumes that all other variables remain constant.

Cash flow sensitivity analysis for variable-rate instruments

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or loss (net of tax)	
	100 bp increase	100 bp decrease
31 March 2022		
Variable-rate instruments	(9.66)	9.66
Cash flow sensitivity (net)	**(9.66)**	**9.66**
31 March 2021		
Variable-rate instruments	(9.80)	9.80
Cash flow sensitivity (net)	**(9.80)**	**9.80**

50 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group capital consists of equity attributable to equity holders that includes equity share capital, reserves, retained earnings and long term borrowings.

Particulars	As at 31 March 2022	As at 31 March 2021
Total liabilities	2,531.78	2,499.21
Less: Cash and cash equivalents	324.73	347.35
Less: Bank balances other than cash and cash equivalents	506.07	500.11
Less: Fixed deposits with banks with maturity period for more than 12 months	39.11	35.62
Adjusted total liabilities (a)	**1,661.87**	**1,616.13**
Total equity (b)	**4,689.77**	**4,312.42**
Capital gearing ratio (a/b)	**35.44%**	**37.48%**

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (including interest accrued but not due on borrowings)	1,562.08	1,431.21
Less: Cash and cash equivalents	324.73	347.35
Less: Bank balances other than cash and cash equivalents	506.07	500.11
Less: Fixed deposits with banks with maturity period for more than 12 months	39.11	35.62
Adjusted net debt	692.17	548.13
Total equity	4,689.77	4,312.42
Adjusted net debt to equity ratio	**0.15**	**0.13**

As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations.

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

51 Ratios as per Schedule III requirements

Particulars	As at 31 March 2022	As at 31 March 2021
a) Current Ratio = Current assets divided by current liabilities		
Current Assets	2,758.93	2,541.50
Current Liabilities	1,342.68	1,067.81
Current Ratio	2.05	2.38
% Change from previous year	**-13.67%**	

Reason for change more than 25%: Not applicable

b) Debt Equity Ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Total Debt	1,285.48	1,304.98
Total Equity	4,689.77	4,312.42
Debt Equity Ratio	0.27	0.30
% Change from previous year	**-9.42%**	

Reason for change more than 25%: Not applicable

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	As at 31 March 2022	As at 31 March 2021
Profit after tax	571.43	722.76
Add: Non cash operating expenses and finance cost	530.79	542.03
-Depreciation and amortisation	459.99	446.83
-Finance costs	70.80	95.20
Earnings available for debt services	1,102.22	1,264.79
Interest cost on borrowings	57.47	79.33
Principal repayments	274.21	124.16
Total Interest and principal repayments	331.68	203.49
Debt Service Coverage Ratio	3.32	6.22
% Change from previous year	**-46.53%**	

Reason for change more than 25%:

This ratio has decreased from 6.22 times in March 2021 to 3.32 times in March 2022 due to fall in net profit. Also there is increase in principal repayments due to end of moratorium period of term loans.

d) Return on Equity Ratio = Net profit after tax divided by average Equity

Net profit after tax	571.43	722.76
Average Equity	4,501.10	3,753.32
Return on Equity Ratio	12.70%	19.26%
% Change from previous year	**-34.07%**	

Reason for change more than 25%:

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

This ratio has decreased from 19.26% in March 2021 to 12.70% in March 2022 due to fall in net profit. Although sales has increased during the year but net profit has fallen due to increase in prices of raw material.

e) Inventory Turnover Ratio = Revenue from operations divided by average inventory

Revenue	9,881.73	8,807.26
Average Inventory	677.94	501.40
Inventory Turnover Ratio	14.58	17.57
% Change from previous year	**-17.02%**	

Reason for change more than 25%: Not applicable

f) Trade Receivables Turnover Ratio = Revenue from operations divided by average trade receivables

Revenue	9,881.73	8,807.26
Average Trade Receivables	734.69	734.98
Trade Receivables Turnover Ratio	13.45	11.98
% Change from previous year	**12.24%**	

g) Trade Payables Turnover Ratio = Purchases divided by average trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Purchases	5,730.12	4,750.43
Other expenses #	1,767.97	1,511.60
Total	7,498.09	6,262.03
Average Trade Payables	574.73	521.45
Trade Payables Turnover Ratio	**13.05**	**12.01**
% Change from previous year	**8.64%**	

Excluding Net loss on sale of property, plant and equipment Rs. Nil (previous year 0.44) & Allowances on trade receivable and other advances of Rs. 0.92 (previous year 42.67).

Reason for change more than 25%: Not applicable

h) Net Capital Turnover Ratio = Revenue divided by Working capital where working capital= current assets - current liabilities

Revenue	9,881.73	8,807.26
Working Capital	1,416.25	1,473.69
Net Capital Turnover Ratio	6.98	5.98
% Change from previous year	**16.75%**	

Reason for change more than 25%: Not applicable

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

i) Net Profit Ratio = Net profit after tax divided by revenue from operations

Net profit after tax	571.43	722.76
Revenue	9,881.73	8,807.26
Net Profit Ratio	5.78%	8.21%
% Change from previous year	**-29.53%**	

Reason for change more than 25%:

This ratio has decreased from 8.21% in March 2021 to 5.79% in March 2022 due to fall in net profit. Although sales has increased during the year but net profit has fallen due to increase in prices of raw material.

j) Return on Capital Employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Profit before tax (A)	757.24	970.73
Finance costs (B)	70.80	95.20
EBIT (D) = (A)+ (B)	828.04	1,065.93
Total Assets (E)	7,221.55	6,811.63
Total Liabilities (F)	2,531.78	2,499.21
Intangible Assets (G)	5.57	4.36
Tangible Net Worth (H)	4,695.34	4,316.78
Total Debt (I)	1,285.48	1,304.98
Deferred Tax Liability (J)	99.24	94.83
Capital employed (K) = (H) + (I) + (J)	6,080.06	5,716.59
Return on Capital Employed	13.62%	18.65%
% Change from previous year	**-26.96%**	

Reason for change more than 25%:

This ratio has decreased from 18.65% in March 2021 to 13.62% in March 2022 due to fall in net profit. Although sales has increased during the year but net profit has fallen due to increase in prices of raw material.

k) Return on treasury investments = Interest income/ total investment

Interest income on bank deposits	36.30	18.76
Total Investments	769.32	423.87
Return on Investment	4.72%	4.43%
% Change from previous year	**6.61%**	

Reason for change more than 25%: Not applicable

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

52. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III

As at 31 March 2022

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Mrs. Bectors Food Specialities Limited	91.38%	4,285.66	93.61%	534.93	96.67%	7.85	93.66%	542.78
Subsidiaries								
Bakebest Foods Private Limited	7.70%	361.01	14.40%	82.30	3.33%	0.27	14.25%	82.57
Mrs Bectors English Oven Limited	0.01%	0.48	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Mrs. Bectors Food International (FZE)	0.06%	3.00	0.00%	-	0.00%	-	0.00%	-
Associate (Investment as per the equity method)								
Cremica Agro Foods Limited	0.84%	39.62	0.07%	0.41	0.00%	-	0.07%	0.41
Elimination	0.00%	0.00	-8.08%	(46.20)	-	-	-7.97%	(46.20)
Total	**100%**	**4,689.77**	**100%**	**571.43**	**100%**	**8.12**	**100%**	**579.55**

As at 31 March 2021

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Mrs. Bectors Food Specialities Limited	91.57%	3,948.89	93.83%	678.20	164.86%	(0.61)	93.80%	677.59
Subsidiaries								
Bakebest Foods Private Limited	7.51%	323.83	6.04%	43.62	-64.86%	0.24	6.07%	43.86
Mrs Bectors English Oven Limited	0.01%	0.49	0.00%	-	0.00%	-	0.00%	-
Associate (Investment as per the equity method)								
Cremica Agro Foods Limited	0.91%	39.21	0.13%	0.93	0.00%	-	0.13%	0.93
Elimination	0.00%	0.00	0.00%	0.01	-	-	0.00%	0.01
Total	**100%**	**4,312.42**	**100%**	**722.76**	**100%**	**(0.37)**	**100%**	**722.39**

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

53 Corporate Social Responsibility

Sl No.	Particulars	As at 31 March 2022	As at 31 March 2021
i	Amount required to be spent by the company during the year	13.98	11.61
ii	Amount of expenditure incurred	13.98	11.61
iii	Shortfall at the end of the year	-	-
iv	Total of previous years shortfall	-	-
v	Reason for shortfall	-	-
vi	Nature of CSR activities*		
vii	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	11.67	7.69
viii	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shown be shown separately	-	-

* Current year - On promoting education, eradicating hunger and malnutrition, environment sustainability and preventive health care.
Previous year - On promoting education, eradicating hunger and malnutrition, on environment sustainability and preventive health care.

54 Impact of COVID 19 (Global Pandemic) on Business

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these audited financial statements including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these audited financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The Group continues to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity."

55 (a) Share issue expenses

During the previous year, the Holding company completed its Initial Public Offer (IPO) of 18,769,701 equity shares shares of face value of Rs. 10/- each for cash at an issue price of Rs. 288/- per equity share aggregating to Rs. 5,405.40 million, consisting fresh issue of 1,408,592 equity shares aggregating to Rs 405.40 million and an offer for sale of 17,361,109 equity shares aggregating to Rs. 5,000.00 million by the selling shareholders. The equity shares of the Holding company were listed on BSE Limited and National Stock Exchange of India Limited on 24 December 2020. The Holding company incurred Rs. 195.34 million as an IPO related expense (excluding taxes) which are proportionately allocated between the selling shareholders and the Holding company as per respective offer size. The Holding company's share of these expenses (excluding taxes) of Rs 22.71 million had been adjusted against securities premium.

(b) The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per Prospectus	Utilization upto 31 March 2021	Unutilized amount as at 31 March 2021	Utilization during the year ended 31 March 2022	Unutilized amount as at 31 March 2022
Financing the project cost towards Rajpura extension project	405.40	-	405.40	142.04	263.36
Total fresh proceeds	**405.40**	**-**	**405.40**	**142.04**	**263.36**

IPO proceeds which were unutilized as at 31 March 2022 were temporarily invested in deposits with banks.

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

56 Note on intermediary

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57 Social security –

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

58 Relationship with Struck off Companies

Transactions with the companies struck off under section 248 of the companies Act, 2013 or section of the companies Act, 1956 are as follows :-

Year ended 31 March 2022 :

Name of struck off Company	Nature of transactions with struck off Company	Amount (in millions)	Relationship with the struck off Company, if any to be disclosed
Sew Eurodrive India Private Limited	Other Expenses - Repair and Maintenance Payables	0.32 -	Third party
Truckpur Solutions Private Limited	Amount written back Payables	0.02 -	Third party
Gateway Resorts Private Limited	No transactions during the year Receivables (Amount provided for during the previous year)	- 0.02	Third party
Year ended 31 March 2021 :			
Sew Eurodrive India Private Limited	Other Expenses - Repair and Maintenance Payables	0.37 0.01	Third party
Truckpur Solutions Private Limited	No transactions during the year Payables	- 0.02	Third party
Gateway Resorts Private Limited	No transactions during the year Receivables (Amount provided for during the year)	- 0.02	Third party

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

59 The Company has filed quarterly statement of current assets with banks and these are in agreement with books of account for all quarters in the current year and previous year, except for:

Quarter End Date	Bank Name	Particulars	Amount as per books of account (in millions)	Amount as reported in quarterly statements (in millions)	Excess/ Shortage (in millions)	Reason for Material discrepancy
30-Jun-21	ICICI	Inventory	510.48	371.07	139.41	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	662.39	872.97	(210.58)	Difference is on account of stock in transit, unbilled revenue and claims provision
30-Sep-21	ICICI	Inventory	522.23	341.63	180.60	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	771.43	993.46	(222.03)	Difference is on account of stock in transit, unbilled revenue and claims provision
31-Dec-21	ICICI	Inventory	521.28	370.18	151.10	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	796.39	1,000.67	(204.28)	Difference is on account of stock in transit, unbilled revenue and claims provision
31-Mar-22	ICICI	Inventory	681.14	682.26	(1.12)	Difference is on account of stock in transit, valuation of inventory and provision
		Trade Receivables	665.81	677.67	(11.86)	Difference is on account of unbilled revenue and claims provision

*The Company submits summary of Inventory and receivables position (stock statements) on monthly basis to ICICI Bank by 15th to 20th of the next month, which is required as per the terms and conditions of the sanction letter. The difference between stock statements and financial statement arise since stock statements are prepared before adjusting certain items of inventory (such as stock in transit, valuation of inventory and provision) and debtors (such as stock in transit, unbilled revenue and claims provision).

60 Reclassification done in current year balance sheet, to the figures of previous year, as per Schedule III Amendments:

Particulars	Amount as on year ended 31 March 2021	Presented as, in financial of year ended 31 March 2021	Reclassified as, in financial of year ended 31 March 2022	Remarks
Security Deposits	35.51	Non-current financial assets - Loans	Other non-current financial assets	Reduction in Non-current financial assets - Loans by Rs.33.51 and equivalent addition in Other non-current financial assets for the figures of year ended 31 March 2021.
Security Deposits	27.03	Financial Assets - Loans	Other current financial assets	Reduction in Financial Assets - Loans by Rs.27.03 and equivalent addition in Other current financial assets for the figures of year ended 31 March 2021.
Current maturities of long-term debt	124.16	Other financial liabilities - Current	Financial liabilities - Borrowing	Reduction in Other financial liabilities (Current) by Rs. 124.16 and equivalent addition in Financial assets - Trade Receivable for the figures of year ended 31 March 2021.

Notes to consolidated financial statements

for the year ended 31 March 2022 (Contd.) (All amounts are in rupees million, unless otherwise stated)

61 Regulatory informations :

(i) The Group does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property.

(ii) The Group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(iii) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(iv) The Group does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(v) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC").

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 28 May 2022

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

Anoop Bector
Managing Director
DIN: 00108589

Place: Phillaur
Date: 28 May 2022

Ishaan Bector
Director
DIN: 02906180

Place: Mumbai
Date: 28 May 2022

Atul Sud
Company Secretary
M. No: F10412

Place: Phillaur
Date: 28 May 2022

Parveen Kumar Goel
Executive Director and CFO
DIN: 00007297

Place: Phillaur
Date: 28 May 2022

MRS. BECTORS FOOD SPECIALITIES LIMITED

Regd. Office: Theing Road, Phillaur-144410
(CIN: L74899PB1995PLC033417)
Tel No. 01826 - 225418 | Fax No.01826 - 222915 | E-mail: atul.sud@bectorfoods.com
Website: www.bectorfoods.com

NOTICE OF 27TH ANNUAL GENERAL MEETING OF THE MEMBERS

NOTICE is hereby given that the 27th Annual General Meeting of the members of MRS. BECTORS FOOD SPECIALITIES LIMITED ('The Company') will be held on Friday, 30th day of September, 2022 at 11:00 hours (IST) through video-conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following Business. The Venue of the meeting shall be deemed to be the registered office of the company at Theing Road, Phillaur-144 410.

ORDINARY BUSINESS

1. **To receive, consider and adopt:**
   (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2022, comprising Audited Balance Sheet the Statement of Profit & Loss along with Notes to Accounts and Cash Flow Statement appended thereto and Reports of the Board of directors and Statutory Auditors thereon and

   (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2022, comprising Consolidated Audited Balance Sheet, the Consolidated Statement of Profit & Loss along with Notes to Accounts and Cash Flow Statement appended thereto and reports of the Statutory Auditors thereon.

2. To confirm Interim Dividend of ₹1.25 per Equity Share of ₹10/- each and declare Final Dividend of ₹1.25 per Equity Share of ₹10/- each for the financial year ended 31st March, 2022.

3. To Appoint Director in place of Mr. Parveen Kumar Goel, Director (DIN: 00007297) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. **APPROVAL FOR AMENDMENT IN ARTICLE OF ASSOCIATIONS OF THE COMPANY FOR DELETION OF PART II.**

   To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

   "RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company (including any statutory modification or re-enactment thereof for the time being in force) and other approval(s) from the concerned Statutory Authority(ies), the consent of the members of the company is hereby accorded to alter the article of association, by deleting Part II in the said Articles of Association of the Company."

   "**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

5. **TO CONSIDER AND APPROVE CONTINUATION OF MR. ALOK KUMAR MISRA (DIN: 00163959) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY FOR SECOND TERM FOR A PERIOD OF FIVE YEARS**.

   To consider, and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:-

   "RESOLVED THAT pursuant to the provisions Sections 149, 150, 152 read with Schedule IV and other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), on the recommendation of Nomination and Remuneration Committees and approval of Board of directors Mr. Alok Kumar Misra (DIN: 00163959) whose tenure expires on 10/02/2023 and who has submitted a declaration of independence as provided under Section 149(6) of the Act and applicable rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for reappointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second and final term of five (5) years effective from 11/02/2023 to 10/02/2028."

"RESOLVED FURTHER THAT Mr. Alok Kumar Misra shall be entitled to receive sitting fees for attending meetings of the Board of Directors as well as receive consultation fees for giving Consultancy to the Company."

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

6. **CONSIDER AND APPROVE CONTINUATION OF MS. POOJA LUTHRA (DIN: 03413062) AS A NON-EXECUTIVE INDEPENDENT WOMAN DIRECTOR OF THE COMPANY FOR SECOND TERM FOR A PERIOD OF FIVE YEARS.**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions Sections 149, 150, 152 read with Schedule IV and other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), on the recommendation of Nomination and Remuneration Committees and approval of Board of directors Ms. Pooja Luthra (DIN: 03413062) whose tenure expires on 18/09/2022 and who has submitted a declaration of independence as provided under Section 149(6) of the Act and applicable rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for reappointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second and final term of five (5) years effective from 19/09/2022 to 18/09/2027."

"RESOLVED FURTHER THAT Ms. Pooja Luthra shall be entitled to receive sitting fees for attending meetings of the Board of Directors as well as receive consultation fees for giving Consultancy to the Company."

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

7. **TO CONSIDER AND APPROVE THE REMUNERATION OF MR. ANOOP BECTOR, MANAGING DIRECTOR OF THE COMPANY**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

"RESOLVED THAT Pursuant to the provisions of Section 197, 198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the recommendation of the Nomination and Remuneration Committee, Audit Committee and Board, the approval of members be and is hereby accorded to increase the remuneration of Mr. Anoop Bector [DIN: 00108589], Managing Director of the Company, from ₹26,50,000 per month to ₹29,15,000 per month w.e.f 01/06/2022 on the terms and conditions including remuneration as mentioned below:

Basic Salary	₹29,15,000/- (Rupees Twenty Nine Lakh Fifteen Thousand only) per month with authority to Board of Directors (which expression shall include a committee thereof) to revise the basic salary from time to time considering the performance of the Company, subject however to a ceiling of annual increment upto 20% of basic salary.
Perquisites and allowances	Perquisites and other allowances in addition to salary shall be upto 50% of the basic salary
Leave Encashment	Leave Encashment shall be upto 1 month salary per annum for the Managing Director.
Other Benefits	All other benefits, facilities, schemes, reimbursements, provident fund contribution, gratuity, health and other insurances, Vehicle or any other kind of benefit as granted to senior employees of the Company as per Rules/Policies of the Company, from time to time.

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Anoop Bector remuneration and perquisites not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

8. **CONSIDER AND APPROVE THE REMUNERATION OF MR. ISHAAN BECTOR, WHOLETIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:-

"RESOLVED THAT Pursuant to the provisions of Section 197, 198 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the recommendation of the Nomination and Remuneration Committee, Audit Committee and Board, the approval of members be and is hereby accorded to increase the remuneration of Mr. Ishaan Bector [DIN: 02906180], Wholetime Director of the Company, from ₹10,00,000 per month to ₹12,00,000 per month w.e.f 01/06/2022 on the terms and conditions including remuneration as mentioned below:

Basic Salary	₹12,00,000/- (Rupees Twelve Lakh only) per month with authority to Board of Directors (which expression shall include a committee thereof) to revise the basic salary from time to time considering the performance of the Company, subject however to a ceiling of annual increment upto 20% of basic salary.
Leave Encashment	Leave Encashment shall be upto 1 month salary per annum.
Perquisites and allowances	Perquisites and other allowances in addition to salary shall be upto 50% of the basic salary.
Other Benefits	All other benefits, facilities, schemes, reimbursements, provident fund contribution, gratuity, health and other insurances, Vehicle or any other kind of benefit as granted to senior employees of the Company as per Rules/ Policies of the Company, from time to time.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Ishaan Bector remuneration and perquisites not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things which may be necessary to give effect to this resolution."

By order of the Board
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(ATUL SUD)
COMPANY SECRETARY
M. No. F10412

Date: 09.08.2022
Place: Phillaur

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), setting out the material facts for each item of special business mentioned in items 4 to 8 of the Notice is annexed hereto. The relevant details, pursuant to applicable regulation of the SEBI LODR and Secretarial Standard -2 on General Meetings issued by the Institute of Companies Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.

2. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 02/2022 and SEBI vide its Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/ HO/CFD/CMD2/CIR/P/2022/62 allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 27th AGM of the Company shall be conducted through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 24th day of September, 2022 to Friday, the 30th day of September, 2022 (both days inclusive) for the purpose of Dividend and AGM.

4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through

e-voting.

5. The Company's Registrar and Transfer Agents for its Share Registry work (physical and electronic) are M/S Link Intime India Pvt Ltd., Noble Heights, 1ST Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Email: delhi@linkintime.co.in, Phone: 011- 41410592-94, Fax: 011- 41410591.

6. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with M/s. Link Intime India Private Limited for providing the members the facility for participation in the 27th AGM through VC/OAVM facility, for voting through remote e-Voting, and for e-Voting during the 27th AGM.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OACM only.

9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2021-22 has been uploaded on the website of the Company at www.bectorfoods.com. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12th May, 2020. The Notice is also available on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www. bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of Link Intime India Private Limited. For members who have not registered their email IDs so far, are requested to register their email IDs for receiving all communications, including Annual Report, Notices from the Company electronically.

10. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to The Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

11. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agents.

12. All the documents referred to in the Notice and Explanatory Statement along with other relevant documents will be made available for inspection by the Members on the website of the Company during the meeting.

13. There are no amounts requiring transfer to Investor Education and Protection Fund during the year 2021- 2022.

14. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of interest.

15. The shareholders holding shares in physical form are requested to register their e-mail address with the Registrar & Share Transfer Agents by sending duly signed request letter quoting their folio no., name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).

16. The Securities and Exchange Board of India (SEBI) vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/ 2018/73 dated 20th April 2018 has mandated compulsory submission of Permanent Account Number (PAN) and bank details by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN and bank details to their Depository Participant(s) and members holding shares in physical form shall submit the details to Company/RTA.

17. Registration of email ID and Bank Account details:

    In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Limited, www.linkintime.co.in under Investor Services>Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency.

19. The remote e-Voting period commences on Tuesday, the 27th day of September, 2022 (9.00 a.m. IST) and ends on Thursday, the 29th day of September, 2022 (5.00 p.m. IST). During this period, Members of the Company, holding shares both in physical form or in dematerialized form, as on the cut-off date (record date) Friday, the 23rd day of September, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company.

20. The Company has appointed JPM & Associates LLP, Practicing Company Secretaries, Ludhiana as the Scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.

21. In case of joint holders, the Members whose name appear first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on Tuesday, the 27th day of September, 2022 (9.00 a.m. IST) and ends on Thursday, the 29th day of September, 2022 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, the 23rd day of September, 2022 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

(v) Pursuant to abovesaid SEBI Circular, Login method for remote e-Voting for Individual shareholders holding securities in Demat mode and Login method for remote e-Voting for Individual shareholders holding securities in Physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	● If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. ● After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ● If the user is not registered for IDeAS e-Services, option to register is available at https:// eservices. nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl. com/ SecureWeb/IdeasDirectReg.jsp ● Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https:// www. evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	● Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/ myeasi/home/login or www. cdslindia.com and click on New System Myeasi. ● After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. ● If the user is not registered for Easi/Easiest, option to register is available at https://web. cdslindia. com/myeasi./Registration/EasiRegistration ● Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	● You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. ● Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click "confirm" (Your password is now generated). 2. Click on 'Login' under 'SHARE HOLDER' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

INSTITUTIONAL SHAREHOLDERS:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian/Mutual Fund/Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/ Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

▶ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/CDSL, they may contact the respective helpdesk given below:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the "Company" and 'Event Date' and register with your following details: -
  - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
    - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
    - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
  - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.: Enter your mobile number.
  - D. Email ID: Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository

   Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id atul.sud@bectorfoods.com.

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.

3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@ linkintime.co.in or contact on: - Tel: 022-49186175.

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/

Dividend Related:

Subject to approval of the Members at the AGM, the dividend will be paid within a week from the conclusion of the AGM to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., Friday, the 23rd day of September, 2022, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the Members who have not updated their bank account details.

Pursuant to the requirements of Income Tax, 1961, the Company will be required to withhold taxes at prescribed rates on the dividend paid to the Shareholders. The withholding tax rate would vary depending on the residential status of the shareholder.

Inspection of Documents:

The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and documents referred in the notice of meeting will be available for inspection by the Members in electronic mode during the AGM. Members who wish to seek inspect, may send their request through an email at atul.sud@bectorfoods.com up to the date of AGM.

Declaration Of Results:

(i) The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.

(ii) Based on the scrutinizer's report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.

(iii) The results declared along with the scrutinizer's report, will be hosted on the website of the Company at www.bectorfoods.com and on the website of Link Intime India Private Limited, immediately after the declaration of the result by the Chairperson or a person authorised by him in writing and communicated to the Stock Exchanges.

(iv) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. 30th day of September, 2022.

Other Instructions:

(i) As per the provisions of Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, the service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail address with Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd and Depository Participant in case of Demat Shares, to enable the Company to send the notices, documents including Annual Reports by e-mail.

(ii) The persons who have acquired shares and become members after the dispatch of the notice may send a request to the Company Secretary via e-mail at atul.sud@bectorfoods.com for a copy of the Annual Report. The Annual Report is also available on the website of the Company.

(iii) A person, who is not a Member as on the cut-off date i.e. Friday, the 23rd day of September, 2022 should treat this Notice for information purposes only.

(iv) The Company has designated an exclusive e-mail ID i.e. atul.sud@bectorfoods.com to enable the investors to register their complaints / send correspondence, if any.

(v) Members holding shares in dematerialized form may note that bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend and therefore, members are requested to update with their respective Depository Participants ("DP"), their bank account details (account number, 9 digit MICR and 11 digit IFSC), email IDs and mobile number. Members holding shares in physical form may communicate details to the Company / Registrar and Transfer Agent viz. Link In time India Private Limited ("RTA") before Friday, the 23rd day of September, 2022, by quoting the Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF MRS. BECTORS FOOD SPECIALITIES LIMITED TO BE HELD ON FRIDAY, 30TH DAY OF SEPTEMBER, 2022 AT 11:00 HOURS (IST) THROUGH VIDEO CONFRENCING

The Following Explanatory Statement sets out all material facts relating to the Special Business mentioned under item sr. no. 4 to 8 of the accompanying Notice:

ITEM NO. 4

In Order to amend the Articles of Association of the company under the provisions of Section 14 and other applicable provisions of Companies Act, 2013, it is required to take approval from Shareholders of the company.

Further, it is proposed to delete Part II of Article of Association which was in relation to the Investors. Since they have exit the company, so Part II is no longer required. Your directors recommend to pass this resolution as Special Resolution.

The Board recommends the resolutions set out at Item No. 4 of the accompanying Notice for your approval as special resolutions.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 4 of the Notice, except to the extent of their shareholding.

Copy of existing and amended Articles of Association of the Company will be available for inspection by members during business hours at the registered office of the Company till the date of ensuing AGM.

ITEM NO. 5

Mr. Alok Kumar Misra, aged 69 years, is the Non-Executive Independent Director of the Company. The Board of Directors of the company, based on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013 had approved the appointment of Mr. Alok Kumar Misra (DIN: 00163959) as an additional director of the company under category of Non-Executive Independent Director for a term of (1) one year w.e.f 11.02.2022 to 10.02.2023, with the approval of shareholders of the company obtained through postal ballot held on 31.03.2022.

In terms of the Corporate Governance Guidelines and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution at their meeting held on May 28, 2022 approving re-appointment of Mr. Alok Kumar Misra as an Independent Director for a second term of five years, with effect from February 11, 2023 to February 10, 2028, based on his skills, experience, knowledge and positive outcome of performance evaluation.

His brief profile is given below:

Mr. Alok Kumar Misra is a seasoned and accomplished banker with a distinguished career spanning more than three decades, during which he handled a wide range of subjects pertaining to commercial banks in various high- level capacities culminating as the Chairman & Managing Director (CMD) of Bank of India, from where finally he demitted his office in September 2012. He has also served as the Chairman of the Indian Bank Association.

Mr. Alok Kumar Misra holds a Masters in Statistics, Post Graduate Diploma in Personnel Management from FMS, Delhi University and CAIIB. He is also a fellow member of Certified Institute of Bankers of Scotland, Zambian Institute of Bankers, and an associate member of Australasian Institute of Banking & Finance. He started his career as a probationary officer in Bank of India and went on to have an illustrious professional innings spanning over 38 years in the banking industry, during which he headed various banking operations, including in-charge of Bank of India's international operations as its General Manager (International), as a Managing Director of Indo-Zambia Bank Ltd., as Executive Director of Canara Bank, before his elevation to CMD of Oriental Bank of Commerce and CMD of Bank of India. Throughout his career, he has been known as a dynamic leader and a true team-man.

Mr. Alok Kumar Misra is an astute banker of high repute, a committed professional with strong leadership qualities, having expertise in Finance, Accounting, Management & Administrative matters, Corporate Governance, and Risk Management.

He is also a director on the Board of Monte Carlo Fashions Limited, The Investment Trust of India Limited, Infomerics Valuation and Rating Private Limited, Nitstone Finserv Private Limited and ITI Asset Management Limited.

In line with the Company's remuneration policy for Independent Directors, Mr. Alok Kumar Misra will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings and receive consultation fees for giving Consultancy to the Company within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to Non-Executive Directors. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, and Regulation 25(2A) of the LODR Regulations, an Independent Director shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such reappointment in Board's report.

The Company has received a declaration from Mr. Alok Kumar Misra confirming that he meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent from Mr. Alok Kumar Misra to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Mr. Alok Kumar Misra to be re-appointed as an Independent Director.

In the opinion of the Board of Directors, Mr. Alok Kumar Misra fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for his re-appointment as an Independent Director of the Company and is independent of the Management.

The draft letter of appointment of Mr. Alok Kumar Misra setting out the terms and conditions of appointment shall be available for inspection by the Members electronically. Members seeking to inspect the same can send an email to atul.sud@bectorfoods.com.

He does not hold any share in the Company and is not related to any other director on the Board of the Company. Except Mr. Alok Kumar Misra, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 5. The relatives of Mr. Alok Kumar Misra may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board of Directors recommends the resolution at Item No. 5 for approval of the Members by way of a Special Resolution

ITEM NO. 6

Ms. Pooja Luthra (DIN: 03413062) is Non-Executive Independent Director of the company appointed on 19/09/2020 for a period of 2 years. Her 1st Term of appointment expiring on 18/09/2022.

In terms of the Corporate Governance Guidelines and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution at their meeting held on May 28, 2022 approving re-appointment of Ms. Pooja Luthra as an Independent Director for a second term of five years, with effect from 19/09/2022 to 18/09/2027, based on his skills, experience, knowledge and positive outcome of performance evaluation.

Her brief profile is given below:

Ms. Pooja Luthra is a senior practice and leadership expert based out of Gallup's India offices. In her journey over the years she has held key roles in Human Resource Management and Organization Development. Recently she has jointed Trident Limited as Group CHRO. She is a leadership expert with a career spanning over two decades.

Further Ms. Pooja Luthra has a double master's degree in Organizational Psychology from Chicago and International Business from Delhi University and is an ICF certified coach. It is desirable to avail her continuous services as an Independent Director.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such reappointment in Board's report.

The Company has received a declaration from Ms. Pooja Luthra confirming that she meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent from Ms. Pooja Luthra to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Ms. Pooja Luthra to be re-appointed as an Independent Director.

In the opinion of the Board of Directors, Ms. Pooja Luthra fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for her re-appointment as an Independent Director of the Company and is independent of the Management.

The draft letter of appointment of Ms. Pooja Luthra setting out the terms and conditions of appointment shall be available for inspection by the Members electronically. Members seeking to inspect the same can send an email to atul.sud@bectorfoods.com.

She does not hold any share in the Company and is not related to any other director on the Board of the Company.

Except Ms. Pooja Luthra, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 6. The relatives of Ms. Pooja Luthra may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board of Directors recommends the resolution at Item No. 6 for approval of the Members by way of a Special Resolution.

ITEM NO. 7

Mr. Anoop Bector was re-appointed as Managing Director of the Company for a period of 5 Years w.e.f. October 01, 2020.

Mr. Anoop Bector (DIN: 00108589), Managing Director of the company is currently drawing basic remuneration of ₹26,50,000 (Rupees Twenty Six Lakh Fifty Thousand Only) per month in addition to other perquisites and allowances. After taking into consideration his efforts and value addition into the company, on the recommendation of Nomination and Remuneration Committee and Audit Committee, Board of Directors recommended to increase the Basic remuneration of Mr. Anoop Bector from ₹26,50,000 per month to ₹29,15,000 per month subject to approval of shareholders.

The Details of remuneration payable to Mr. Anoop Bector is given in resolution no. 7 and the Board recommends the resolutions set out at Item No. 7 of the accompanying Notice for your approval as Special Resolution.

Except, Mr. Ishaan Bector and Mr. Suvir Bector (being relatives of Mr. Anoop Bector), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent to their shareholding.

ITEM NO. 8

Mr. Ishaan Bector (DIN: 02906180), Whole Time Director of the company is currently drawing basic remuneration of ₹10,00,000/- (Rupees Ten Lakh) per month and HRA of ₹3,30,000 (Rupees Three Lakh Thirty Thousand) per month total being ₹13,30,000 (Rupees Thirteen Lakh Thirty Thousand) per month in addition to other perquisites and allowances. After taking into consideration his efforts and value addition into the company, Further, on the recommendation of Nomination and Remuneration Committee and Audit Committee, Board of Directors recommended to increase the basic monthly remuneration of Mr. Ishaan Bector from ₹10,00,000 per month to ₹12,00,000 per month in addition to other perquisites and allowances subject to approval of shareholders.

The Details of remuneration payable to Mr. Ishaan Bector is given in resolution no. 8 and the Board recommends the resolutions set out at Item No. 8 of the accompanying Notice for your approval as Special Resolution.

Except, Mr. Suvir Bector and Mr. Anoop Bector (being relatives of Mr. Ishaan Bector), none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding.

ANNEXURE- A

Profile of the Director seeking appointment / re-appointment at the Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of SEBI (Listing of Listing Obligations and Disclosures Requirements) Regulations, 2015 along with Paragraph 1.2.5 of Secretarial Standard on General Meetings]

Particulars	Mr. Alok Kumar Misra	Ms. Pooja Luthra
DIN	00163959	03413062
Age	69	43
Brief Resume and Qualification	**Mr. Alok Kumar Misra** holds a Masters in Statistics, Post Graduate Diploma in Personnel Management from FMS, Delhi University and CAIIB. He is also a fellow member of Certified Institute of Bankers of Scotland, Zambian Institute of Bankers, and an associate member of Australasian Institute of Banking & Finance. He started his career as a probationary officer in Bank of India and went on to have an illustrious professional innings spanning over 38 years in the banking industry, during which he headed various banking operations, including in-charge of Bank of India's international operations as its General Manager (International), as a Managing Director of Indo-Zambia Bank Ltd and as Executive Director of Canara Bank. Throughout his career, he has been known as a dynamic leader and a true team-man.	**Ms. Pooja Luthra**, is a senior practice and leadership expert based out of Gallup's India offices. In her journey over the years she has held key roles in Human Resource Management and Organization Development. Recently she has jointed Trident Limited as Group CHRO. She is a leadership expert with a career spanning over two decades. Further Ms. Pooja Luthra has a double master's degree in Organizational Psychology from Chicago and International Business from Delhi University and is an ICF certified coach.
Date of first Appointment as Director	11th February, 2022	19th September, 2020
Expertise in specific functional area	Finance, Banking, Accounting, Management & Administrative matters	Human Resource Management and Organization Development
Directorships held in other body corporate as on 31st March 2022	1. Monte Carlo Fashions Limited 2. The Investment Trust of India Ltd 3. Infomerics Valuation and Rating Pvt Ltd 4. Nitstone Finserv Pvt Ltd 5. ITI Asset Management Ltd	1. Trident Global Corp Limited 2. Humane Intel Foundation
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March 2022	**Audit Committee** -Monte Carlo Fashions Ltd – Member -The Investment Trust of India Limited- Member Nomination and Remuneration Committee -The Investment Trust of India Limited- Chairperson Stakeholders Relationship Committee -The Investment Trust of India Limited- Member Risk Management Committee - The Investment Trust of India Limited- Member Internal Finance Committee - The Investment Trust of India Limited- Member Management Committee - The Investment Trust of India Limited- Member Informerics Valuation and Rating Pvt Ltd CSR Committee - Member Informerics Valuation and Rating Pvt Ltd Ratings Sub Committee- Member	Nil

Particulars	Mr. Alok Kumar Misra	Ms. Pooja Luthra
Number of equity shares held in the Company as on date	Nil	Nil
Relationship with other Directors and Key Managerial Personnel	None	None
Remuneration Last Drawn from the Company (This does not include Director sitting fees)	Nil	Nil
Remuneration proposed to be paid	Director Sitting Fees	Director Sitting Fees
No of meetings of the Board attended during the year	Held: 5 Attended: 1	Held: 5 Attended: 5

By order of the Board
For **Mrs. Bectors Food Specialities Limited**

Sd/-
(**ATUL SUD**)
COMPANY SECRETARY
M. No. F10412

Date: 09.08.2022
Place: Phillaur

Mrs. Bector's

MRS. BECTOR'S CREMICA®

ENGLISH OVEN®

MRS. BECTORS FOOD SPECIALITIES LIMITED

(CIN: L74899PB1995PLC033417)

Regd. Office: Theing Road, Phillaur-144 410

Tel no.: 01826 - 225418 | E-mail: atul.sud@bectorfoods.com | Website: www.bectorfoods.com