

MSKA & Associates  
Chartered Accountants  
The Palm Springs Plaza  
Office No. 1501-B, 15th floor  
Area,  
Sector-54, Golf Course Road  
Gurugram, Haryana 122001

M Surana & Company  
Chartered Accountants  
13-14, Surana Building,  
Rani Bazar, Industrial  
Bikaner, Rajasthan 334001

## INDEPENDENT AUDITORS' REPORT

To the Members of Bikaji Foods International Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Bikaji Foods International Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the 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 Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit (including other comprehensive income), consolidated changes in equity and its 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to note 46 to the consolidated Ind AS financial statements which states that the Management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the consolidated Ind AS financial statements. Accordingly, no adjustments have been made to the consolidated Ind AS financial statements.

Our opinion is not modified in respect of this matter.

### Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.



Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS 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.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group 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 are responsible for overseeing the financial reporting process of the Group.

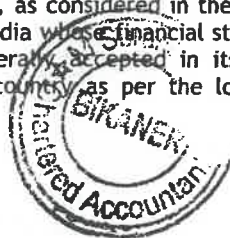
#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("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 Ind AS financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Ind AS Financial Statements.

#### **Other Matters**

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of INR 118.08 lakhs as at March 31, 2020, total revenues NIL and net cash flows amounting to INR 0.23 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. This subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its host country and that the statutory audit is not mandatory in its host country as per the local regulations. The Holding



Company's Management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in its host country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion, in so far as it related amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it related to this subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, this financial statement is not material to the Group.

Our opinion on the consolidated Ind AS 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 financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 Ind AS financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - refer note 37 to the consolidated Ind AS financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary Company.




**MSKA & Associates**  
Chartered Accountants

**M Surana & Company**  
Chartered Accountants

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

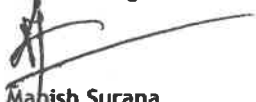
For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

  
**Amit Mitra**  
Partner  
Membership No.: 094518  
UDIN: 21094518AAAAAQ7837



Place: Gurugram  
Date: December 30, 2020

For **M Surana & Company**  
Chartered Accountants  
ICAI Firm Registration No.: 015312C

  
**Manish Surana**  
Partner  
Membership No.: 077597  
UDIN: 21077597AAAABK57839



Place: Bikaner  
Date: December 30, 2020

**MSKA & Associates**  
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The Palm Springs Plaza  
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**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF BIKAJI FOODS INTERNATIONAL LIMITED**

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 Ind AS 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 Group has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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.





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Chartered Accountants

**M Surana & Company**  
Chartered Accountants

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.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W



**Amit Mitra**  
Partner  
Membership No.: 094518  
UDIN: 21094518AAAAAQ7837

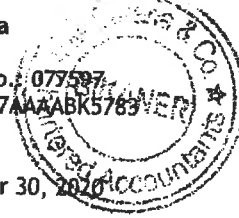


Place: Gurugram  
Date: December 30, 2020

For **M Surana & Company**  
Chartered Accountants  
ICAI Firm Registration No.: 015312C



**Manish Surana**  
Partner  
Membership No.: 077597  
UDIN: 21077597AAAABK5783



Place: Bikaner  
Date: December 30, 2020

**MSKA & Associates**  
Chartered Accountants  
The Palm Springs Plaza  
Office No. 1501-B, 15th floor  
Sector-54, Golf Course Road  
Gurugram, Haryana 122001

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**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF BIKAJI FOODS INTERNATIONAL LIMITED**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Bikaji Foods International Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2020]

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of Bikaji Foods International Limited (hereinafter referred to as "the Holding Company") and its subsidiary Company, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary Company, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated Ind AS financial statements criteria established by the respective companies 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 ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its Subsidiary Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, 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 consolidated Ind AS financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained subject to 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 Ind AS financial statements of the Holding Company.

#### **Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements**

A Group's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control with reference to consolidated Ind AS 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 Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of Management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Company, have, in all material respects, internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated Ind AS financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.






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Chartered Accountants

**M Surana & Company**  
Chartered Accountants

**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, which is incorporated outside India, is based on representation from the Management, since the requirement for internal financial controls are not applicable on the Subsidiary Company.


For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

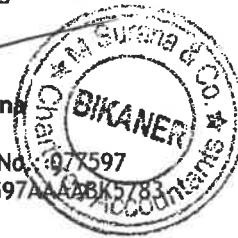
  
**Amit Mitra**  
Partner  
Membership No.: 094518  
UDIN: 21094518AAAAAQ7837



Place: Gurugram  
Date: December 30, 2020

For **M Surana & Company**  
Chartered Accountants  
ICAI Firm Registration No.: 015312C

  
**Manish Surana**  
Partner  
Membership No.: 077597  
UDIN: 21077597AAAAAQ7837



Place: Gurugram  
Date: December 30, 2020

Bikaji Foods International Limited  
Consolidated Balance Sheet as at March 31, 2020  
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at	As at
		March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipments	3	39,854.84	39,118.87
Capital work-in-progress	4	288.23	1,313.07
Investment property	5	520.80	282.74
Intangible assets	6	149.33	170.09
Right-of-use asset	39	153.66	-
Financial assets			
Investment	7	3,650.14	299.24
Other non-current financial assets	8	495.74	1,146.51
Other non-current assets	9	1,601.70	894.49
<b>TOTAL NON-CURRENT ASSETS</b>		<b>46,714.44</b>	<b>43,225.01</b>
<b>CURRENT ASSETS</b>			
Inventories	10	3,648.57	3,832.69
Financial assets			
Loans	11	601.45	-
Trade receivables	12	4,171.26	3,897.75
Cash and cash equivalents	13	440.55	1,724.22
Other bank balances	14	9,804.87	8,608.90
Other current financial assets	15	613.58	527.19
Other current assets	16	980.35	778.93
Current tax assets (net)	17	688.28	386.41
<b>TOTAL CURRENT ASSETS</b>		<b>20,948.91</b>	<b>19,756.09</b>
<b>TOTAL ASSETS</b>		<b>67,663.35</b>	<b>62,981.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	2,431.33	2,431.33
Other equity	19	50,484.77	44,554.16
<b>TOTAL EQUITY</b>		<b>52,916.10</b>	<b>46,985.49</b>
Non-controlling interest		0.09	-
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	20	1,712.54	3,430.82
Lease liabilities	39	45.98	-
Long-term provisions	21	406.39	212.26
Deferred tax liabilities (net)	22	3,347.83	3,868.82
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,512.82</b>	<b>7,511.90</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	20	2,188.64	2,756.49
Lease liabilities	39	118.79	-
Trade payables	23		
total outstanding dues of micro enterprises and small enterprises		121.01	378.25
total outstanding dues of creditors other than micro enterprises and small enterprises		1,308.94	2,547.31
Other current financial liabilities	24	4,269.41	2,150.47
Short-term provisions	21	108.52	63.94
Other current liabilities	25	1,119.12	587.25
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,234.43</b>	<b>8,483.71</b>
<b>TOTAL LIABILITIES</b>		<b>14,747.25</b>	<b>15,995.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>67,663.35</b>	<b>62,981.10</b>



**Bikaji Foods International Limited**  
**Consolidated Balance Sheet as at March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

Summary of significant accounting policies.

2

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

1-49

As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W



**Amit Mitra**  
Partner  
Membership No.: 094518  
Place: Gurugram  
Date: December 30, 2020

For **M Surana & Company**  
Chartered Accountants  
Firm Registration No.: 015312C



**Manish Surana**  
Partner  
Membership No.: 077597  
Place: Bikaner  
Date: December 30, 2020

For and on behalf of the Board of Directors of  
**Bikaji Foods International Limited**  
CIN : U15499RJ1995PLC010856



**Shiv Ratan Agarwal**  
Managing Director  
DIN: 00192929  
Place: Bikaner  
Date: December 30, 2020



**Deepak Agarwal**  
Director  
DIN: 00192890  
Place: Bikaner  
Date: December 30, 2020



**Shambhu Dayal Gupta**  
Chief Financial Officer  
PAN: ADFPG0151L  
Place: Bikaner  
Date: December 30, 2020



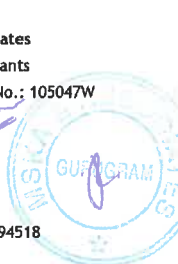
**Divya Navani**  
Company Secretary  
Membership No.: 026014  
Place: Bikaner  
Date: December 30, 2020

**Bikaji Foods International Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue:</b>			
Revenue from operations	26	1,07,334.70	90,111.12
Other income	27	978.26	963.48
<b>Total Income</b>		<b>1,08,312.96</b>	<b>91,074.60</b>
<b>Expenses:</b>			
Cost of materials consumed	28	72,083.67	63,656.13
Purchase of stock-in-trade		2,274.24	1,018.56
Changes in inventories of finished goods and stock-in-trade	29	133.76	(241.17)
Employee benefits expense and manpower cost	30	7,719.05	6,681.55
Depreciation, amortisation and impairment expenses	31	3,419.52	2,230.64
Finance costs	32	511.42	380.00
Other expenses	33	15,807.27	9,750.54
<b>Total expenses</b>		<b>1,01,948.93</b>	<b>83,476.25</b>
<b>Profit before tax#</b>		<b>6,364.03</b>	<b>7,598.35</b>
<b>Tax expense:</b>			
Current tax	22	1,552.14	1,808.61
Deferred tax	22	257.26	672.39
Tax expenses of earlier year	22	-	16.16
Remeasurement of deferred tax on account of new tax regime	22	(1,082.40)	-
<b>Profit after tax#</b>		<b>5,637.03</b>	<b>5,101.19</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Net gain/ (loss) on equity instrument through other comprehensive income	7	1,324.91	(1.52)
Remeasurement loss on defined benefit plans	35	(137.50)	(95.50)
<b>Items that will be reclassified to profit or loss</b>			
Exchange difference on translation of foreign operations		(0.47)	-
Income tax effect on above	22	(304.15)	33.90
<b>Total other comprehensive income/ (loss) for the year (net of tax)</b>		<b>882.79</b>	<b>(63.12)</b>
<b>Total comprehensive income#</b>		<b>6,519.82</b>	<b>5,038.07</b>
<b>Total comprehensive income/ (loss) is attributable to</b>			
Equity holders of Bikaji Foods International Limited		6,519.82	5,038.07
Non-controlling interest#		0.00	-
# "0" represents the amount is below rounding off norms adopted by the Company.			
Earnings per equity share of [Nominal of share: INR 10 each (Previous year: INR 10 each)]			
Basic and diluted	34	23.18	21.09
Summary of significant accounting policies.	2		
The accompanying notes are an integral part of the financial statements.	1-49		
As per our report of even date			

For MSKA & Associates  
Chartered Accountants  
Firm Registration No.: 105047W

Amit Mitra  
Partner  
Membership No.: 094518  
Place: Gurugram  
Date: December 30, 2020



For M Surana & Company  
Chartered Accountants  
Firm Registration No.: 015312C

Manish Surana  
Partner  
Membership No.: 077597  
Place: Bikaner  
Date: December 30, 2020



For and on behalf of the Board of Directors of  
Bikaji Foods International Limited  
CIN : U15499RJ1995PLC010856

Shiv Ratan Agarwal  
Managing Director  
DIN: 00192929  
Place: Bikaner  
Date: December 30, 2020

Shambhu Dayal Gupta  
Chief Financial Officer  
PAN: ADFPG0151L  
Place: Bikaner  
Date: December 30, 2020

Deepak Agarwal  
Director  
DIN: 00192890  
Place: Bikaner  
Date: December 30, 2020

Divya Navani  
Company Secretary  
Membership No.: 026014  
Place: Bikaner  
Date: December 30, 2020

**Bikaji Foods International Limited**  
**Consolidated Statement of Changes in Equity for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

Particulars	Equity share capital	Securities premium	General reserve	Retained earnings	Total other equity	Items of other comprehensive income	Total equity
Balance as at April 01, 2018	2,334.14	8,719.05	193.09	19,429.87	28,342.00	45.10	30,721.24
Issue of share capital during the year	97.19	12,102.81	-	-	12,102.81	-	12,200.00
Profit for the year	-	-	-	5,101.19	5,101.19	-	5,101.19
Dividend	-	-	-	(486.27)	(486.27)	-	(486.27)
Taxes on dividend	-	-	-	(102.95)	(102.95)	-	(102.95)
Share issue expenses	-	(384.60)	-	-	(384.60)	-	(384.60)
Other comprehensive loss for the year	-	-	-	-	-	(63.12)	(63.12)
Balance as at March 31, 2019	2,431.33	20,437.26	193.09	23,941.84	44,572.18	(18.02)	46,985.49
Profit for the year	-	-	-	5,637.04	5,637.04	-	5,637.04
Dividend	-	-	-	(486.27)	(486.27)	-	(486.27)
Taxes on dividend	-	-	-	(102.95)	(102.95)	-	(102.95)
Other comprehensive income for the year	-	-	-	-	-	882.79	882.79
Balance as at March 31, 2020	2,431.33	20,437.26	193.09	28,989.66	49,620.00	864.77	52,916.10

Summary of significant accounting policies.


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

As per our report of even date


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For MSKA & Associates  
Chartered Accountants  
Firm Registration No.: 105047W


  
Amit Mitra  
Partner  
Membership No.: 094518  
Place: Gurugram  
Date: December 30, 2020


For M Surana & Company  
Chartered Accountants  
Firm Registration No.: 015312C


  
Manish Surana  
Partner  
Membership No.: 077597  
Place: Bikaner  
Date: December 30, 2020

For and on behalf of the Board of Directors of  
Bikaji Foods International Limited  
CIN : U15499RJ1995PLC010856

  
Shiv Ratan Agarwal  
Managing Director  
DIN: 00192929  
Place: Bikaner  
Date: December 30, 2020

  
Deepak Agarwal  
Director  
DIN: 00192890  
Place: Bikaner  
Date: December 30, 2020

  
Shambhu Dayal Gupta  
Chief Financial Officer  
PAN: ADFPG0151L  
Place: Bikaner  
Date: December 30, 2020

  
Divya Navani  
Company Secretary  
Membership No.: 026014  
Place: Bikaner  
Date: December 30, 2020



Bikaji Foods International Limited  
Consolidated Statement of Cash flow for the year ended March 31, 2020  
(All amounts in INR lakhs, unless otherwise stated)

Particular	As at March 31, 2020	As at March 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	6,364.03	7,598.35
Adjustments for:		
Depreciation, amortisation and impairment expenses	3,419.52	2,230.64
Foreign exchange gain, net	(69.27)	(102.77)
Interest income	(710.32)	(633.46)
Liabilities written back to the extent no longer required	(6.65)	(24.88)
Finance costs	511.42	380.00
Changes in fair value of financial assets measured at FVTPL	239.00	-
Provision for diminution in the value of investment	-	-
Provision for doubtful debt	18.26	31.06
Provision for inventory	11.17	9.32
Loss on sale of property, plant and equipments (net)	61.25	5.33
	<b>9,838.41</b>	<b>9,493.59</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
Adjustments for:		
(Increase) in trade receivables	(291.76)	(500.42)
(Increase)/ decrease in loans	(601.45)	183.88
(Increase) in other current financial assets	(86.38)	(182.01)
(Increase) in other current assets	(201.42)	(280.10)
Decrease/ (increase) in inventories	172.96	(694.41)
Decrease/ (increase) in other non-current financial assets	650.77	(505.98)
(Increase) in other non-current assets	(119.56)	(38.95)
(Decrease)/ increase in trade payables	(1,495.61)	744.02
Increase/ (decrease) in other current financial liabilities	1,946.08	(681.23)
Increase/ (decrease) other current liabilities	538.09	(89.84)
Increase other non-current financial liabilities	20.52	-
Increase in provisions	238.71	1,081.44
	<b>10,609.36</b>	<b>8,529.99</b>
<b>CASH GENERATED FROM OPERATIONS</b>		
Foreign exchange gain, net	69.27	102.77
Net prior year adjustment	(137.50)	(111.66)
Tax paid	(1,854.01)	(2,136.79)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>8,687.12</b>	<b>6,384.31</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipments	(4,110.52)	(7,504.65)
Sale of property, plant and equipments	56.71	187.70
Interest received	710.32	633.46
Investment in equity share	-	(5.00)
Investment in preference shares	-	(10.00)
Investment in debentures	(2,265.00)	-
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(5,608.49)</b>	<b>(6,698.49)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issue of shares	-	97.19
Securities premium received	-	12,102.81
Issue expenses	-	(384.60)
Proceeds from borrowings	86.81	2,631.01
Repayments of borrowings	(1,522.76)	(7,677.62)
Dividend paid (Including dividend distribution tax)	(589.21)	(589.21)
Principal paid on lease liabilities	(61.90)	-
Interest paid	(511.42)	(380.00)
<b>NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(2,598.48)</b>	<b>5,799.58</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>480.15</b>	<b>5,485.40</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>7,576.63</b>	<b>2,091.23</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>8,056.78</b>	<b>7,576.63</b>



**Bikaji Foods International Limited**  
**Consolidated Statement of Cash flow for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Reconciliation of cash and cash equivalents as per the cash flow statement**

Cash and cash equivalents as per above comprise of the following

Cash and cash equivalents (refer note 13 and 14)

Cash credit facility (refer note 20)

Balance as per statement of cash flow

10,245.42	10,333.12
(2,188.64)	(2,756.49)
<b>8,056.78</b>	<b>7,576.63</b>

Summary of significant accounting policies.


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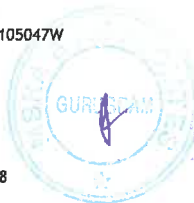
The accompanying notes are an integral part of the financial statements.

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As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

  
**Amit Mitra**  
Partner  
Membership No.: 094518  
Place: Gurugram  
Date: December 30, 2020



For **M Surana & Company**  
Chartered Accountants  
Firm Registration No.: 015312C

  
**Manish Surana**  
Partner  
Membership No.: 077597  
Place: Bikaner  
Date: December 30, 2020



For and on behalf of the Board of Directors of  
**Bikaji Foods International Limited**  
CIN : U15499RJ1995PLC010856

  
**Shiv Ratan Agarwal**  
Managing Director  
DIN: 00192929  
Place: Bikaner  
Date: December 30, 2020

  
**Deepak Agarwal**  
Director  
DIN: 00192890  
Place: Bikaner  
Date: December 30, 2020

  
**Shambhu Dayal Gupta**  
Chief Financial Officer  
PAN: ADFPG0151L  
Place: Bikaner  
Date: December 30, 2020

  
**Divya Navani**  
Company Secretary  
Membership No.: 026014  
Place: Bikaner  
Date: December 30, 2020

**1. General information**

Bikaji Foods International Limited (the 'Holding Company') is a Company domiciled in India, with its registered office situated at F-196-199, F-178 and E-188, Bichhwal Industrial Area, Bikaner - 334006. (Rajasthan). The Holding Company was incorporated in year 1995 under the provisions of the Companies Act, 1956, then applicable in India. The Holding Company is primarily involved in manufacturing, purchase and sale of snacks food.

The Holding Company has one wholly owned subsidiary 'Bikaji Foods (London) Limited' (the Holding Company and its subsidiary together referred to as "the Group").

The consolidated Ind AS financial statements were authorised for issue in accordance with a resolution of the Directors on December 30, 2020.

**2. Significant accounting policies**

Significant accounting policies adopted by the Group are as under:

**2.1 Basis of preparation of consolidated Ind AS financial statements**

**a) Statement of compliance with Ind AS**

The consolidated Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 and related amendments as notified from time to time (hereinafter referred as 'Ind AS').

**b) Basis of measurement**

The consolidated Ind AS financial statements have been prepared on accrual basis and under historical cost convention, except for certain financial assets and liabilities which are measured at fair value (refer para 2.2(S) of accounting policy).

The consolidated Ind AS financial statements are presented in Indian Rupees (INR), which is also the functional currency of the Company, and all the values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

**c) Basis of consolidation**

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

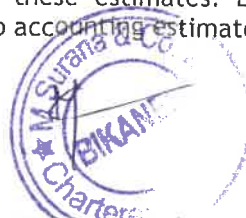
The consolidated Ind AS financial statements present the results of the Bikaji Foods International Limited and its subsidiary as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

**d) Use of estimates**

The preparation of consolidated Ind AS financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenditure for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated Ind AS financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated Ind AS financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a year basis. Revisions to accounting estimates, if any, are



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recognised in the year in which the estimates are revised and in any future years affected. (refer para 2.2(V) of accounting policy).

e) **New and amended standards adopted by the Group**

The Group has applied Ind AS 116 - "Leases" for the first time for their reporting year commencing April 1, 2019 (refer note 39).

**2.2 Summary of significant accounting policies**

**A) Current/ non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primary for the purpose of trading,
- It is due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Group classifies all other liabilities as non-current.

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

**B) Revenue recognition**

**a) Sale of goods**

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on the customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is recognised to the extent that it is highly probable a significant reversal will not occur.

In case customers have the contractual right to return goods, an estimate is made for goods that will be returned and a liability is recognised for this amount using the best estimate based on accumulated experience.



**b) Solar income and sale of renewable energy certificate**

Revenue from supply of energy is accounted on the basis of billings to state transmission utility and includes unbilled revenues accrued up to the end of the accounting year.

In respect of its certain power generating units in Rajasthan, basic tariffs are subject to review by respective state regulators, adjustments if any, are made in the year of such adjustment when it can be reliably ascertained. Revenue is booked on certainty of realisability.

Revenue from renewable energy certificate are recognised when its reliability is established. Accordingly, sales is recorded at the time of acceptance of bid in the India Energy Exchange ('IEX'). Such certificates can be traded on IEX and PXIL.

**c) Other income**

Interest income is recognised using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

**C) Property, plant and equipments**

Freehold land is carried at historical cost. All other items of property, plant and equipments are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipments and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**Capital Work in Progress**

The cost of the assets not put to use before such date are disclosed under the head 'Capital work-in-progress'.

**D) Depreciation methods, estimated useful life and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual value, over their estimated useful lives. The Group has used the following rates to provide depreciation on its property, plant and equipments which are similar as compared to those prescribed under the Schedule II to the Act.

Property, plant and equipments	Estimated useful life
Plant and machinery	15 Years
Factory building	30 Years
Buildings	60 Years
- Office building with RCC frame structure	60 Years
- Flats	



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<b>Furniture and fixtures</b>	10 Years
<b>Office equipment</b>	5 Years
<b>Vehicles</b>	
- Scooters and motorcycles	10 Years
- Motor cars and trucks	8 Years
<b>Computers</b>	
- Servers and networks	6 Years
- End user devices, such as, desktops, laptops etc.	3 Years

Individual assets costing INR 5,000 or less are fully depreciated in the year of purchase. The residual values are not more than 5% of the original cost of the asset. The residual values and useful lives of property, plant and equipments are reviewed, and adjusted if appropriate, at the end of each reporting year.

#### E) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The Group depreciates building component of investment property over 60 years from the date of original purchase. The useful life has been determined based on technical evaluation performed by the Management's expert.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the year of derecognition.

#### F) Intangible asset

Intangible assets including those acquired by the Group are initially measured at acquisition cost. Such intangible assets are subsequently stated at acquisition cost, net of accumulated amortisation.

The Group amortises intangible assets with a finite useful life using the straight-line method over the following year:

A summary of amortisation policies applied to the Group intangible assets is as below:

<b>Intangible assets</b>	<b>Useful life</b>
Trademarks	10 Years
ERP software licences	10 Years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year.



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**G) Inventories**

**Raw material, packing material and finished goods**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and packaging materials are valued at lower of cost and net realisable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Manufactured finished goods are valued at the lower of cost and net realisable value. Cost of manufactured finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

**H) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The board of directors of the Group assesses the financial performance and position of the Group and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker, consists of managing director and other directors. Refer note 38 for segment information presented.

**I) Finance costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

General and Specific borrowing costs that are attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All the other borrowing costs are expensed in the year they occur.

**J) Employee Benefits**

**a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting year and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Leave encashment: Accumulated leaves which are expected to be utilised within next 12 months are treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



b) **Other long-term employee benefit obligations**

i. **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the statement of profit and loss.

ii. **Defined benefit plans**

Gratuity: The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a fund set up by Life Insurance Corporation of India. Provision in respect of Gratuity is made as per actuarial valuation carried out by an independent actuary. The cost of providing benefits under the defined benefit plan is determined using projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the year in which they occur. Remeasurements are not classified to Statement of Profit and Loss in subsequent years. Past service costs are recognised in Statement of Profit and Loss on the earlier of the date of the plan amendment or curtailment and the date on which the Company recognises related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements, and net interest expense or income in the net defined benefit obligation as an expense in the statement of profit and loss.

K) **Impairment of non-financial assets**

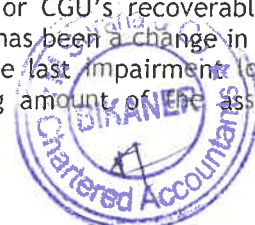
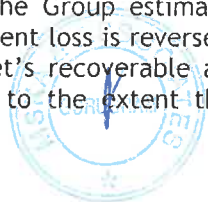
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

If assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU's to which the individual assets are allocated.

Impairment losses are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent that the carrying amount of the asset does not exceed its



recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**L) Provisions, contingent liabilities and contingent assets**

Provision are recognised when there is a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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.

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

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated Ind AS financial statements.

**M) Foreign currency transaction**

**a) Functional and presentation currency**

Items included in the consolidated Ind AS financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Ind AS financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

**N) Taxes**

Tax expense for the year, comprising current tax and deferred tax are included in the determination of the net profit and loss for the year.

**Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.





### Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Ind AS financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and unused tax losses. Deferred tax assets are recognised to the extent only if it is probable that future taxable amounts will be available to utilise those temporary differences, the carry forward of unused tax credits and unused tax losses. The carrying amount of deferred tax asset is reviewed at each reporting 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### O) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

### P) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents include cash on hand, cash in bank and short-term deposits net of bank overdraft.

### Q) Dividend Distribution

Dividend distribution to the shareholders is recognised as a liability in the year in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend paid and corresponding tax on dividend distribution is recognised directly in equity.





**R) Leases****As a lessee**

The Group has adopted Ind AS 116 - "Leases" effective April 01, 2019, using the modified retrospective method. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The impact of the adoption of the standard on the consolidated Ind AS financial statements of the Group is shown in note 39 of the consolidated Ind AS financial statements.

**(i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

**(ii) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(iii) Short-term leases**

The Group applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments of short-term leases are recognised as expense on a straight-line basis over the lease term.

**S) 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.

**a) Financial assets****(i) Initial recognition and measurement:**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.



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In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

(ii) **Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortised cost; or
- b) at fair value through other comprehensive income (FVTOCI); or
- c) at fair value through profit or loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

(iii) **Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortised cost, FVTPL and FVTOCI and for the measurement and recognition of credit risk exposure.



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The Group follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises the impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimate. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed. On that basis, the Group estimates impairment loss allowance on portfolio of its trade receivables.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

**(iv) Derecognition of financial assets:**

A financial asset is derecognised only when:

- a) the rights to receive cash flows from the financial asset is transferred; or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset are transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognised only if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



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b) **Financial liabilities**

(i) **Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and 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.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. 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 costs in the statement of profit and loss.

(iii) **Derecognition of financial liability:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss as finance costs.

c) **Offsetting financial instruments**

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

T) **Investment in subsidiary**

Investment in subsidiary is measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'.

**Impairment of investments:**

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.



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#### U) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS 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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### V) Significant accounting judgements, estimates and assumptions

The preparation of consolidated Ind AS financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

##### Estimates and assumptions

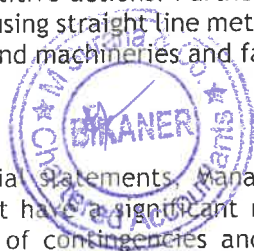
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated Ind AS financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### Useful life, method and residual value of property, plant and equipments

Plant and machineries and factory buildings contribute significant portion of the Group's Property, plant and equipment. The Group capitalises its plant and machineries and factory buildings in accordance with the accounting policy disclosed under para 2.2(D) of accounting policy. The Group estimates the useful life and residual value of assets as mentioned in para 2.2(D) of accounting policy. However, the actual useful life and residual value may be shorter/ less or longer/ more depending on technical innovations and competitive actions. Further, Company is depreciating its plant and machineries and factory buildings by using straight line method based on the management estimate that repairs/ wear and tear to plant and machineries and factory buildings are consistent over useful life of assets.

##### Estimations in contingencies/ provisions

In preparing these consolidated Ind AS financial statements, management has made estimation pertaining to contingencies and provisions that have a significant risk of resulting in a material adjustment and relates to the determination of contingencies and provisions outstanding with significant unobservable inputs.



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### Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. The measurement of deferred tax balances requires estimation of the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Group.

### Judgments

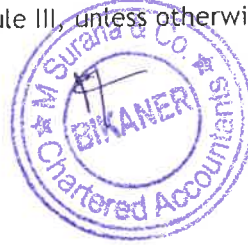
#### Assessment of liability as remote, contingencies or liability/ provision

In preparing these consolidated Ind AS financial statements, Management has made judgement in respect of classification of impact of certain pending/ existing tax related litigations as remote, probable obligation or possible obligation based on facts and involvement of external experts. Such judgement by the Management materially affects the consolidated Ind AS financial statements.

W) There are no recent accounting pronouncements which are issued but not yet effective and have impact on the consolidated Ind AS financial statements of the Company.

#### X) Rounding off amounts

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



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Bikaaji Foods International Limited  
Notes on Consolidated Financial Statements for the year ended March 31, 2020  
(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipments

Particulars	Land (Leasehold) **	Land (Freehold)	Factory building ^	Flats **	Plant & equipment	Furniture & fixtures	Vehicles ^	Office equipments	Computers & peripherals	Total
Gross block at cost										
Balance at April 01, 2018	904.51	196.71	9,483.94	186.95	23,041.03	777.81	1,090.38	200.32	246.57	36,128.22
Additions ##	-	5.12	4,410.51	-	5,844.97	236.63	139.11	48.85	24.93	10,710.12
Disposals/ adjustments	-	-	-	-	186.55	-	-	-	-	-
Balance at March 31, 2019	904.51	201.83	13,894.45	186.95	28,699.45	1,014.44	1,205.44	249.17	271.50	46,627.74
Additions	-	-	318.95	-	3,398.82	278.11	152.57	36.32	9.73	4,194.50
Disposals/ adjustments	-	-	-	-	44.32	-	112.86	-	-	157.18
Balance at March 31, 2020	904.51	201.83	14,213.40	186.95	37,053.95	1,292.55	1,245.15	285.49	281.23	50,665.06
Accumulated depreciation										
Balance at April 01, 2018	-	-	821.81	29.90	3,731.18	146.06	360.45	84.56	184.66	5,358.62
Charge for the year	-	-	312.78	6.71	1,632.84	77.84	124.28	17.94	33.23	2,205.62
Disposals/ adjustments	-	-	-	-	46.95	-	8.42	-	-	55.37
Balance at March 31, 2019	-	-	1,134.59	36.61	5,317.07	223.90	476.31	102.50	217.89	7,508.87
Charge for the year	89.97	-	494.05	7.16	2,064.61	177.44	149.53	24.64	36.17	3,043.57
Impairment #	-	-	-	-	297.00	-	-	-	-	297.00
Disposals/ adjustments	-	-	-	-	2.82	-	36.40	-	-	39.22
Balance at March 31, 2020	89.97	-	1,628.64	43.77	7,675.86	401.34	589.44	127.14	254.06	10,810.22
Net block										
As at March 31, 2020	814.54	201.83	12,584.76	143.18	24,378.09	891.21	655.71	158.35	27.17	39,854.84
As at March 31, 2019	904.51	201.83	12,759.86	150.34	23,382.38	790.54	729.13	146.67	53.61	39,118.87

Notes:

\* During the year depreciation on leasehold land have been charged from the date of acquisition.

# Solar plants having gross book value INR 773.56 lakhs (net book value INR 521.29 lakhs as on April 01, 2019), have been impaired by INR 297 lakhs and is recognised in the statement of profit and loss. Also refer note 45.

## Includes amount of finance cost capitalised during the year 2018-19 amounting to INR 326.14 lakhs. Capitalisation rate is 11.40%.

^ Refer note 20 for: information related to property, plant and equipments pledged as security by the Company.

\*\* Flats are being used by the employees of the Company for accommodation purpose.



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 4: Capital work-in-progress**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at April 01, 2019	1,313.07	4,719.52
Additions	3,218.00	7,313.86
Less: Capitalised during the year	4,242.84	10,720.31
<b>Balance at March 31, 2020 #</b>	<b>288.23</b>	<b>1,313.07</b>

# Capital work-in-progress as at March 31, 2020 majorly comprises expenditure for cookie and papad plant located at Karni, Bikaner.

**Note 5: Investment property**

Particulars	Building	Flats	Land	Total
<b>Gross block at cost</b>				
Balance at April 01, 2018	33.00	167.49	121.02	321.51
Additions	-	0.25	9.95	10.20
Disposals/ adjustments	33.00	6.85	0.88	40.73
<b>Balance at March 31, 2019</b>	<b>-</b>	<b>160.89</b>	<b>130.09</b>	<b>290.98</b>
Additions	-	-	240.75	240.75
<b>Balance at March 31, 2020</b>	<b>-</b>	<b>160.89</b>	<b>370.84</b>	<b>531.73</b>
<b>Accumulated depreciation</b>				
Balance at April 01, 2018	0.44	7.53	-	7.97
Charge for the year	0.52	2.67	-	3.19
Disposals/ adjustments	0.96	1.96	-	2.93
<b>Balance at March 31, 2019</b>	<b>-</b>	<b>8.24</b>	<b>-</b>	<b>8.24</b>
Charge for the year	-	2.69	-	2.69
<b>Balance at March 31, 2020</b>	<b>-</b>	<b>10.93</b>	<b>-</b>	<b>10.93</b>
<b>Net block</b>				
As at March 31, 2020	-	149.96	370.84	520.80
As at March 31, 2019	-	152.65	130.09	282.74

**Note: (a) Information regarding income and expenditure of investment property**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income derived from investment properties	-	2.16
Profit arising from investment properties before depreciation and indirect expenses	-	2.16
Less: Depreciation	(2.69)	(3.19)
<b>Loss arising from investment properties before indirect expenses</b>	<b>(2.69)</b>	<b>(1.03)</b>

**Note: (b) Fair value**

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value	3,189.42	636.37

The fair value of investment properties have been determined by a registered valuer. The main inputs used are the rental growth, expected vacancy rates, terminal yields and discount rates based on comparable transaction and industry data. All resulting fair value estimates for investment properties are included in level 3.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in note 41.



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 6: Intangible assets**

Particulars	Trade marks	Computer software	Total
<b>Gross block at cost</b>			
Balance at April 01, 2018	62.19	218.61	280.80
Balance at March 31, 2019	62.19	218.61	280.80
Additions	-	3.00	3.00
<b>Balance at March 31, 2020</b>	<b>62.19</b>	<b>221.61</b>	<b>283.80</b>
<b>Accumulated amortisation</b>			
Balance at April 01, 2018	17.61	71.27	88.88
Charge for the year	5.32	16.51	21.83
Balance at March 31, 2019	22.93	87.78	110.71
Charge for the year	5.73	18.03	23.76
<b>Balance at March 31, 2020</b>	<b>28.66</b>	<b>105.81</b>	<b>134.47</b>
<b>Net block</b>			
As at March 31, 2020	33.53	115.80	149.33
As at March 31, 2019	39.26	130.83	170.09

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**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 7: Financial assets - Non-current investments**

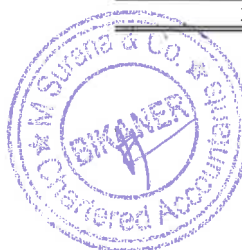
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investment in equity instrument fair value through OCI (FVTOCI) (fully paid up) ^</b>		
<b>Quoted equity shares</b>		
14,220 equity shares (Previous year: 14,220 shares) of INR 2 each of Gokul Refoils and Solvent Limited	1.19	1.22
14,220 equity shares (Previous year: 14,220 shares) of INR 2 each of Gokul Agro Resources Limited	1.20	1.71
<b>Investment in Compulsorily Convertible Preference Shares (CCPS) fair value through OCI (FVTOCI) (fully paid up) #</b>		
2,913,050 CCPS (Previous year: 2,913,050 shares) of INR 10 each in Hanuman Agro Foods Private Limited	291.31	291.31
Add: Net gain on equity instrument through OCI (refer note 41)	1,325.44	-
<b>Total FVTOCI investments</b>	<b>1,619.14</b>	<b>294.24</b>
<b>Investment in equity instrument fair value through profit and loss (FVTPL) (fully paid up)</b>		
<b>Unquoted equity shares</b>		
50,000 shares (Previous year: 50,000) of INR 10 each in Beechhwal Eco-Friendly Foundation	5.00	5.00
<b>Investment in Compulsory Convertible Debentures (CCD) fair value through profit and loss (FVTPL) (fully paid up) ##</b>		
22,650,000 CCD 0.0% (Previous year: Nil) of INR 10 each in of Hanuman Agro Foods Private Limited	2,265.00	-
Less: Provision for diminution in the value of investment (refer note 41)	(239.00)	-
<b>Total FVTPL investments</b>	<b>2,031.00</b>	<b>5.00</b>
<b>Total investments</b>	<b>3,650.14</b>	<b>299.24</b>
Aggregate book value of quoted investments	2.39	2.93
Aggregate market value of quoted investments	2.39	2.93
Aggregate book value of unquoted investments	3,647.75	296.31
Aggregate amount of impairment in value of investments (refer note 33)	(239.00)	-

^ Management has invested in the equity shares with the intention of either to hold the investment for collection of contractual cash flows or for selling the investment. Further, cash flows from investments represents solely payments of principal and interest.

^^ CCPS held by the Group is an equity instrument therefore the Management has considered the irrevocable option for equity instrument that is otherwise measured at FVTPL to be measure at FVTOCI.

# Conversion is at the option of the holder at any time after commencement of commercial production but not later than twenty years from the date of allotment. CCPS will be converted into equity shares of INR 10 each in the ratio of one equity share for every CCPS. CCPS were allotted in 3 tranches as per below details:

Date of allotment	Number of CCPS
March 28, 2016	16.01
December 30, 2017	12.13
December 27, 2018	1.00
<b>Total</b>	<b>29.13</b>





**Bikaji Foods International Limited**

**Notes on Consolidated Financial Statements for the year ended March 31, 2020**

*(All amounts in INR lakhs, unless otherwise stated)*

## Conversion is at the option of the holder at any time after commencement of commercial production but not later than five years from the date of its allotment. CCD shall be converted into such number of equity shares of INR 10 each at the higher of fair market value determined on the date of the conversion or INR 10 per equity shares. CCD were allotted in 8 tranches as per below details:

<b>Date of allotment</b>	<b>Number of CCD</b>
May 18, 2019	47.50
July 16, 2019	25.00
September 30, 2019	15.00
October 25, 2019	44.00
December 09, 2019	42.50
February 07, 2020	20.00
February 28, 2020	15.00
March 31, 2020	17.50
<b>Total</b>	<b>226.50</b>

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**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 8: Other non-current financial assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Carried at amortised cost		
Security deposits	109.73	111.93
Bank deposits with maturity period of more than 12 months from the balance sheet date	386.01	1,034.58
<b>Total</b>	<b>495.74</b>	<b>1,146.51</b>

**Note 9: Other non-current assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances		
Considered good	1,241.26	653.61
Considered doubtful	27.26	27.26
Less: Allowance for doubtful advance	(27.26)	(27.26)
Prepaid expenses	137.29	17.73
Balance with government authorities		
- Cenvat Receivable #	193.80	193.80
- VAT Receivable	7.35	7.35
- CST Advances	22.00	22.00
<b>Total</b>	<b>1,601.70</b>	<b>894.49</b>

# The Holding Company has filed writ petition before Jodhpur High Court for transitioning CENVAT credit in respect to capital goods purchase during April 01, 2016 to June 30, 2017 in pre-GST period. The goods manufactured by the Company were hitherto exempted from the levy of central excise duty but has become taxable @ 12% under GST regime. Considering that input tax credit is available on such purchases in the GST period, the writ has been filed on the equitable grounds in line with the objective of GST to avoid cascading effect of taxes and ensure seamless flow of credit.

**Note 10: Inventories ^**

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials (at cost)	1,293.17	1,085.95
Packing materials (at cost)	1,704.34	2,001.80
Finished goods (at lower of cost or net realisable value) #	536.28	670.04
Stores and spares (at cost)	114.78	74.90
<b>Total</b>	<b>3,648.57</b>	<b>3,832.69</b>

During the year ended March 31, 2020, INR 11.17 lakhs (Previous year: INR 9.32 lakhs) was recognised as an expense for writing down the value of slow moving and non-moving inventories.

^ Refer note 20 for information related to inventories hypothecated by the Group against cash credit facility.

# Finished goods include stock in transit - Nil (Previous year: INR 243.05 lakhs).



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 11: Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Loan #	601.45	-
<b>Total</b>	<b>601.45</b>	<b>-</b>

# These loans are repayable within 12 months and are provided at interest rate of 11% p.a.

**Note 12: Trade receivables ^**

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Trade receivables - credit impaired	4,171.26	3,897.75
Less: Allowance for credit impaired receivable	49.32	31.06
	(49.32)	(31.06)
<b>Total</b>	<b>4,171.26</b>	<b>3,897.75</b>
Breakup of trade receivables:		
- Related parties #	59.77	36.66
- Others	4,111.49	3,861.09
<b>Total</b>	<b>4,171.26</b>	<b>3,897.75</b>

^ Refer note 20 for information related to trade receivables hypothecated by the Group against cash credit facility.

# Includes due from 'Mastkin Foods Private Limited', controlled by key managerial personnel amounting to INR 59.77 lakhs (Previous year: INR 36.66 lakhs). Refer note 36.

**Note 13: Cash and cash equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- In current accounts	428.45	1,708.09
Cash on hand	12.10	16.13
<b>Total</b>	<b>440.55</b>	<b>1,724.22</b>

**Note 14: Other bank balances**

Particulars	As at March 31, 2020	As at March 31, 2019
Bank deposits with original maturity period of more than 3 month but remaining maturity of less than 12 months	9,804.87	8,608.90
<b>Total</b>	<b>9,804.87</b>	<b>8,608.90</b>



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 15: Other current financial assets**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Security deposits	49.88	55.37
Interest accrued on deposits	563.70	471.82
<b>Total</b>	<b>613.58</b>	<b>527.19</b>

**Note 16: Other current assets**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advances to vendors	466.25	261.84
Prepaid expenses	60.49	28.26
Insurance claim receivable #	147.83	172.55
Balance with government authorities		
- GST receivable	74.35	16.37
Export incentive - receivable	38.59	190.08
Other advances	26.63	57.08
Right to recover returned goods (refer note 25)	4.58	0.66
Transaction cost on proposed equity issue *	90.00	-
Employees advances	71.63	52.09
<b>Total</b>	<b>980.35</b>	<b>778.93</b>

# Insurance claim receivable in respect of loss due to fire, damaging the property, plant and equipment and inventory. Fire occurred on July 09, 2018 at the Holding Company, Karni plant, resulting in loss amounting to INR 172.55 lakhs. These assets were secured through insurance. The Holding Company has filed a claim in the current financial year and received the claim amounting to INR 147.83 lakhs subsequent to year end. The balance of INR 24.72 lakhs has been recognised as loss due to fire in the statement of profit and loss.

\* The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transactions that otherwise would have been avoided. Since, Holding Company has not received proceed from issue of share capital, the Holding Company has accounted transaction costs under the head "other current assets". Once the proceeds from issue of share, transaction costs will be adjusted with the retained earning under "Other equity".

**Note 17: Current tax assets (net)**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Advance tax [net of provision for tax INR 6,646.65 lakhs (Previous year: INR 5,091.66 lakhs)]	688.28	386.41
<b>Total</b>	<b>688.28</b>	<b>386.41</b>



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 18: Equity share capital**

**Particulars**

**Authorised share capital**

25,000,000 equity shares (Previous year: 25,000,000) of INR 10 each

**Total**

**Issued, subscribed and fully paid up share capital**

24,313,306 equity shares (Previous year: 24,313,306) of INR 10 each

**Total**

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
25,000,000 equity shares (Previous year: 25,000,000) of INR 10 each	2,500.00	2,500.00
<b>Total</b>	<b>2,500.00</b>	<b>2,500.00</b>
Issued, subscribed and fully paid up share capital		
24,313,306 equity shares (Previous year: 24,313,306) of INR 10 each	2,431.33	2,431.33
<b>Total</b>	<b>2,431.33</b>	<b>2,431.33</b>

**(a) Reconciliation of the number of equity shares given below:**

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance at April 01, 2019	243.13	2,431.33	233.41	2,334.14
Add: Issued during the year #	-	-	9.72	97.19
<b>Balance at March 31, 2020</b>	<b>243.13</b>	<b>2,431.33</b>	<b>243.13</b>	<b>2,431.33</b>

# During the previous year, Holding Company has issued 971,895 number of equity shares of INR 10 each fully paid up to IIFL Special Opportunities Fund at INR 1,255.28 (which includes INR 1,245.28 as security premium) per share.

**(b) Rights, preferences and restrictions attached to the equity shareholders:**

Equity Shares: The Group has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The distribution will be in proportion to the number of Equity shares held by the shareholders.

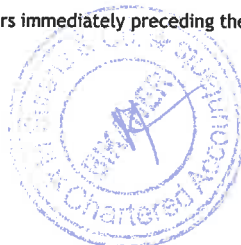
**(c) The details of Shareholders holding more than 5% equity shares of the Group are as under :**

Name of shareholders	Number of shares	% of Holding as at March 31, 2020	Number of shares	% of Holding as at March 31, 2019
Shiv Ratan Agarwal	88.43	36.37%	89.08	36.64%
Shiv Ratan Agarwal HUF	61.20	25.17%	61.20	25.17%
Deepak Agarwal	41.98	17.27%	42.30	17.40%
IIFL Special Opportunities Fund	20.00	8.22%	20.00	8.22%
India 2020, Maharaja Limited	18.17	7.47%	22.72	9.35%

As per records of the Group, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Group during the period of five years immediately preceding the current year end.

(e) No class of shares have been bought back by the Group during the period of five years immediately preceding the reporting date.





**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 19: Other equity**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Securities premium reserve</b>		
Balance at April 01, 2019	20,437.26	8,719.05
Add: Security premium on issue of equity shares [refer note 18(a)]	-	12,102.81
Less: Decrease due to transaction cost for issued share capital	-	(384.60)
<b>Balance at March 31, 2020 (A)</b>	<b>20,437.26</b>	<b>20,437.26</b>
<b>General reserve</b>		
Balance at April 01, 2019	193.09	193.09
<b>Balance at March 31, 2020 (B)</b>	<b>193.09</b>	<b>193.09</b>
<b>Retained earnings</b>		
Balance at April 01, 2019	23,941.84	19,429.87
Add: Profit during the year	5,637.03	5,101.19
<b>Total (i)</b>	<b>29,578.87</b>	<b>24,531.06</b>
<b>Less appropriation:</b>		
Dividend paid for the year ended March 31, 2019 INR 2 per share (Previous year: INR 2 per share)	(486.27)	(486.27)
Dividend distribution tax	(102.95)	(102.95)
<b>Total appropriation (ii)</b>	<b>(589.22)</b>	<b>(589.22)</b>
<b>Balance at March 31, 2020 (i)- (ii) = (C)</b>	<b>28,989.65</b>	<b>23,941.84</b>
<b>Other comprehensive income (OCI)</b>		
Balance at April 01, 2019	(18.02)	45.10
Add: Movement in OCI (net) during the year	882.79	(63.12)
<b>Balance at March 31, 2020 (D)</b>	<b>864.77</b>	<b>(18.02)</b>
<b>Total (A) + (B) + (C) + (D)</b>	<b>50,484.77</b>	<b>44,554.16</b>

**Securities premium reserve:** Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities premium reserve". Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Act.

**Dividend:** The Board of Directors of the Group has paid a dividend of INR 2 per share of face value of INR 10 (Previous year: INR 2 per share) amounting to INR 486.27 lakhs for the year ended March 31, 2019. The distribution has been in proportion to the number of equity shares held by the shareholders.

**Note 20: Borrowing**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
<b>Non-current borrowing</b>		
Term loan from bank		
Secured term loans from banks	1,712.54	3,430.82
	<b>1,712.54</b>	<b>3,430.82</b>
<b>Secured</b>		
<b>Current borrowing</b>		
Cash credit from bank	2,188.64	2,756.49
	<b>2,188.64</b>	<b>2,756.49</b>
<b>Total</b>	<b>3,901.18</b>	<b>6,187.31</b>



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**(A) Long-term borrowings, non-current portion include**

**1. Term loans from SBI**

(A) Term loan from SBI amounting to INR 830.47 lakhs outstanding as at March 31, 2020 is secured by first charge by way of equitable mortgage of immovable industrial property i.e. land and building (construction thereon) situated at, RIICO Industrial Area, Karni (Extension), Bikaner in the name of the Holding Company. Interest is charged in the range of 8.60% to 8.75%.

(B) Term loan from SBI amounting to INR 2,146.64 lakhs outstanding as on March 31, 2020 is secured by first charge by way of equitable mortgage of immovable industrial property i.e. land and building (construction thereon) situated at Bichhwal Industrial Area, Bikaner and, RIICO Industrial Area, Karni (Extension), Bikaner in the name of the Holding Company. And hypothecation of plant and machinery at RIICO Industrial Area, Karni (Extension), Bikaner. Interest is charged in the range of 8.60% to 8.90%.

**2. Vehicle Loan**

Vehicle loan of INR 86.64 lakhs (Previous Year: INR 45.34 lakhs) relate to vehicle purchased under financing arrangements with financial institution are secured by way of hypothecation of the specified assets. Interest is charged at 9.85%.

**3. Cash Credit Facility**

Working capital loan is obtained from SBI and CITI Bank. Cash credit from SBI is secured by hypothecation of stock of raw material, packing material and book debts. These are repayable on demand. Interest is charged at 8.60% and 5.15%, respectively.

**(B) Terms of repayment**

Particulars	No. of instalments outstanding	Instalment amount	Repayment term
SBI term loan account no.: 61322436301	10.00	84.41	Monthly
SBI term loan account no.: 37719056444	21.00	125.00	Quarterly
Car loan	33.00	1.73	Monthly

**Note 21: Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current provisions</b>		
Provision for gratuity (refer note 30 and 35)	406.39	212.26
<b>Total</b>	<b>406.39</b>	<b>212.26</b>
<b>Current provisions</b>		
Provision for gratuity (refer note 30 and 35)	93.52	48.94
Provision for sales tax liability [refer note 37(a)]*	15.00	15.00
<b>Total</b>	<b>108.52</b>	<b>63.94</b>
<b>Total</b>	<b>514.91</b>	<b>276.20</b>

**\* Movement during the year**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at April 01, 2019	15.00	-
Add: Provision created	-	15.00
<b>Balance at March 31, 2020</b>	<b>15.00</b>	<b>15.00</b>



**Blkaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 22: Deferred tax liability (net)**

In compliance of Ind AS 12 "Income Tax " the Group has recognised 'the deferred tax liability' major components of deferred tax assets and liabilities on account of timing differences are as follows:

**Reconciliation of Deferred tax liability (net)**

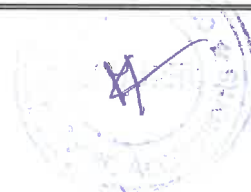
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Balance at April 01, 2019	3,868.82	3,230.33
Tax expense during the year recognised in the statement of profit and loss	257.26	672.39
Remeasurement of deferred tax on account of new tax regime #	(1,082.40)	-
Tax expense/ (income) during the year recognised in OCI	304.15	(33.90)
<b>Balance at March 31, 2020</b>	<b>3,347.83</b>	<b>3,868.82</b>

# Pursuant to the Taxation Laws (Amendment) Act, 2019 which is effective from April 01, 2019, domestic companies have an option to pay tax income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. Based on the Group's assessment of the expected year of transition to the new tax regime, the Group has remeasured the deferred tax liabilities and has recognised deferred tax income of INR 1,082.40 lakhs.

**The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2019 :**

Movement during the year ended March 31, 2020	March 31, 2019	Recognised in Profit and loss account	Recognised in other comprehensive income	March 31, 2020
<b>Deferred tax asset in relation to :</b>				
Provisions	(29.11)	20.47	-	(8.64)
Gratuity	(12.17)	(13.30)	-	(25.47)
Lease liabilities	-	(5.16)	-	(5.16)
Right-of-use assets	-	(13.21)	-	(13.21)
Impairment of investment	-	(60.15)	-	(60.15)
Remeasurement loss on defined benefit plan	(10.65)	-	(35.24)	(45.89)
Provision for provident fund	-	(2.74)	-	(2.74)
Bonus and leave encashment	(137.95)	137.95	-	-
Exchange difference on translation of foreign operations	-	-	(0.12)	(0.12)
<b>Deferred tax liabilities in relation to:</b>				
Difference between book base and tax base related to property, plant and equipments and intangible assets	4,058.87	(889.00)	-	3,169.88
Fair value gain/ (loss) on Investments	(0.17)	-	339.51	339.34
<b>Net deferred tax asset/ liability</b>	<b>3,868.82</b>	<b>(825.14)</b>	<b>304.15</b>	<b>3,347.83</b>

Movement during the year ended March 31, 2019	March 31, 2018	Recognised in Profit and loss account	Recognised in other comprehensive income	March 31, 2019
<b>Deferred tax asset in relation to :</b>				
Provisions	-	(29.11)	-	(29.11)
Gratuity	-	(12.17)	-	(12.17)
Lease liabilities	-	-	-	-
Bonus and leave encashment	-	(137.95)	-	(137.95)
<b>Deferred tax liabilities in relation to:</b>				
Difference between book base and tax base related to property, plant and equipments and intangible assets	3,207.25	851.62	-	4,058.87
Fair value gain/ (loss) on investments	0.36	-	(0.53)	(0.17)
Remeasurement gain/ (loss) on defined benefit plan	22.72	-	(33.37)	(10.65)
<b>Net deferred tax asset / liability</b>	<b>3,230.33</b>	<b>672.39</b>	<b>(33.90)</b>	<b>3,868.82</b>



**Bikaji Foods International Limited**

Notes on Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

**Reconciliation of tax expense and the accounting profit multiplied by Group's tax rate:**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(a) Income tax expenses recognised in the statement of profit and loss</b>		
<b>Current tax</b>		
Current tax on profit for the year	1,552.14	1,808.61
<b>Total current tax expense (A)</b>	<b>1,552.14</b>	<b>1,808.61</b>
<b>Deferred tax</b>		
Deferred tax (asset)/ liability	(825.14)	672.39
<b>Total deferred tax credit (B)</b>	<b>(825.14)</b>	<b>672.39</b>
<b>Income tax expense reported in the statement of profit and loss (A) + (B)</b>	<b>727.00</b>	<b>2,481.00</b>
<b>(b) OCI Section - Income tax related to items recognised in OCI during in the year:</b>		
Net (loss)/ gain on remeasurements of defined benefit plans	(304.15)	33.90
<b>Income tax expense charged to OCI</b>	<b>(304.15)</b>	<b>33.90</b>
<b>(c) Reconciliation of income tax expense and the accounting profit multiplied by Group's tax rate:</b>		
Profit before income tax expense	6,364.03	7,598.35
Income tax rate	25.17%	34.94%
<b>Amount of tax at Group's tax rate (A)</b>	<b>1,601.70</b>	<b>2,655.17</b>
<b>Adjustment</b>		
Non-deductible tax expenses	825.29	(587.47)
<b>Total adjustment</b>	<b>825.29</b>	<b>(587.47)</b>
Income tax rate	25.17%	34.94%
<b>Tax impact of adjustment (B)</b>	<b>207.70</b>	<b>(205.29)</b>
Tax impact of change in tax rate (C)	(1,082.40)	31.14
<b>Income tax expense recognised in the statement of profit and loss (A)+(B)+(C)</b>	<b>727.00</b>	<b>2,481.02</b>



A



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 23: Trade payables**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer footnote)	121.01	378.25
Total outstanding dues of creditors other than micro enterprises and small enterprises #	1,308.94	2,547.31
<b>Total</b>	<b>1,429.95</b>	<b>2,925.56</b>

# Includes due to 'Basant Vihar Hotels Private Limited', controlled by key managerial personnel amounting to INR 20.14 lakhs (Previous year: Nil). Refer note 36.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 42.

**Footnote: Details of amounts outstanding to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006:**

Trade payables are non-interest bearing and are normally settled in 0 to 45 days terms. There are no other amounts paid/ payable towards interest under the MSMED, Act. The Micro, Small and Medium Enterprises have been identified by Management from the available information, which has been relied upon by the auditors. On the basis of the information and records available with the Management, following are outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each financial year	121.01	378.25
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each financial 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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each financial year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

**Note 24: Other current financial liabilities**

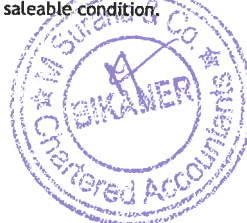
Particulars	As at	As at
	March 31, 2020	March 31, 2019
(Unsecured unless otherwise stated)		
Current maturities of long term loan (secured) (refer note 20)	1,351.22	1,068.90
Accrued employees liabilities	533.63	747.46
Book overdraft #	2,147.77	-
Creditors for capital goods	107.71	217.17
Trade deposits from customers	129.08	116.94
<b>Total</b>	<b>4,269.41</b>	<b>2,150.47</b>

# Group has issued cheques in excess of the bank balance as on March 31, 2020. These cheques have been presented for clearance subsequent to year end.

**Note 25: Other current liabilities**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Statutory dues	131.37	256.19
Advance received from customers	982.19	330.40
Accounting for refund liabilities #	5.56	0.66
<b>Total</b>	<b>1,119.12</b>	<b>587.25</b>

# The Group has recognised a refund liability for sale of goods on which Company does not expect to receive consideration. The Company has also recognised a right to recover the returned goods measured by reference to the former carrying amount of goods (refer note 16). The costs to recover the products are not material because the customers usually return the product in a saleable condition.





**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 26: Revenue from operations**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Sale - food products</b>		
Finished goods	1,04,767.68	89,009.76
Traded goods	2,450.33	798.50
Solar income (refer note 45)	-	39.55
<b>Other operating revenue</b>		
Scrap sales	105.68	137.85
Sale of renewable energy certificate	11.01	125.46
<b>TOTAL</b>	<b>1,07,334.70</b>	<b>90,111.12</b>

**Reconciliation of revenue recognised with contract price for sale of foods products (finished goods):**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale - food products	1,05,696.79	89,845.46
Adjustments for refund liabilities	(4.90)	(0.66)
Discount and rebates	(924.21)	(835.04)
<b>Revenue from contract with customers</b>	<b>1,04,767.68</b>	<b>89,009.76</b>

For disclosure relating to disaggregation of revenue refer note 38.

**Note 27: Other income**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest income on</b>		
- Bank deposits	710.32	633.46
- Other deposits	37.83	2.21
Rental income	22.80	10.08
Liabilities written back to the extent no longer required	6.65	24.88
Foreign exchange gain, net	69.27	102.77
MEIS income	131.39	190.08
<b>TOTAL</b>	<b>978.26</b>	<b>963.48</b>

**Note 28: Cost of materials consumed**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Raw material</b>		
Inventory at the beginning of the year	1,085.95	806.03
Add: Purchases during the year	59,540.61	52,311.70
	<b>60,626.56</b>	<b>53,117.73</b>
Less: Inventory at the end of the year	1,293.17	1,085.95
<b>Cost of raw material consumed (A)</b>	<b>59,333.39</b>	<b>52,031.78</b>
<b>Packing material</b>		
Inventory at the beginning of the year	2,001.80	1,829.92
Add: Purchases during the year	12,452.82	11,796.23
	<b>14,454.62</b>	<b>13,626.15</b>
Less: Inventory at the end of the year	1,704.34	2,001.80
<b>Cost of packing material consumed (B)</b>	<b>12,750.28</b>	<b>11,624.35</b>
<b>TOTAL (A)+(B)</b>	<b>72,083.67</b>	<b>63,656.13</b>



**Bikaji Foods International Limited**

Notes on Consolidated Financial Statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

**Note 29: Changes in inventories of finished goods and stock-in-trade****Particulars**

Inventory at the beginning of the year	
Less: Inventory at the end of the year	
<b>Changes in inventories of finished goods and stock-in-trade</b>	

Year ended March 31, 2020	Year ended March 31, 2019
670.04	428.87
536.28	670.04
<b>133.76</b>	<b>(241.17)</b>

**Note 30: Employee benefits expense and manpower cost****Particulars**

Salaries, wages and bonus	
Contribution to provident and other funds	
Gratuity expense (refer note 35)	
Workmen and staff welfare expenses	
Outsourced manpower cost	

Year ended March 31, 2020	Year ended March 31, 2019
5,843.63	5,049.57
313.29	232.21
162.75	89.51
141.68	126.79
1,257.70	1,183.47
<b>7,719.05</b>	<b>6,681.55</b>

**TOTAL****Note 31: Depreciation, amortisation and impairment expenses****Particulars**

Depreciation of property, plant and equipments (refer note 3)	
Depreciation of investment property (refer note 4)	
Amortisation of intangible assets (refer note 5)	
Depreciation of right-of-use assets (refer note 39)	
Impairment of solar plant (refer note 45)	

Year ended March 31, 2020	Year ended March 31, 2019
3,043.58	2,205.62
2.69	3.19
23.76	21.83
52.49	-
297.00	-
<b>3,419.52</b>	<b>2,230.64</b>

**TOTAL****Note 32: Finance costs****Particulars**

Interest cost on	
- Borrowings (refer note 20)	
Less: Interest capitalised	
- Others on statutory dues	
Interest expense on lease liabilities (refer note 39)	

Year ended March 31, 2020	Year ended March 31, 2019
490.81	703.70
-	(326.14)
0.09	2.44
20.52	-
<b>511.42</b>	<b>380.00</b>

**TOTAL**

**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

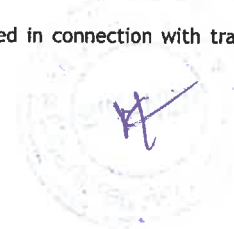
**Note 33: Other expenses**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	3,433.85	3,183.52
Brokerage and commission	81.45	35.86
Laboratory expenses	21.84	18.35
<b>Repair and maintenance</b>		
Building	132.01	81.58
Plant and machinery	886.62	237.40
Others	20.43	13.31
Advertisement expenses	3,678.22	1,454.07
Sales promotion expenses	1,156.76	894.46
Freight and forwarding charges	4,242.18	2,166.41
Rent	108.50	242.23
Rates and taxes	227.34	164.57
Insurance expenses	79.80	51.20
Legal and professional charges #	221.45	106.46
License/ membership and trade mark expenses	65.00	31.85
General expenses	475.02	402.73
Payment to auditors [refer note 33 (a)] #	37.00	10.00
Travelling expenses	351.97	274.02
Charity and donation	6.23	4.25
CSR expenses [refer note 33 (b)]	181.50	145.30
Loss on sales of property, plant and equipments	61.25	5.33
Bank charges	38.16	22.24
Bad debts/ advances written off	18.71	135.90
Provision for doubtful debts/ advances (refer note 12)	18.26	58.32
Property, plant and equipment written off	-	11.18
Provision for diminution in the value of investment (refer note 7)	239.00	-
Loss due to fire (refer note 16)	24.72	-
<b>TOTAL</b>	<b>15,807.27</b>	<b>9,750.54</b>

**Note 33 (a): Payment to auditors**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>- As auditor</b>		
Statutory audit fees	30.00	5.00
Tax audit fees	2.00	2.00
<b>- In other capacity</b>		
Certification and consultation fees #	3.00	3.00
Reimbursement of expenses	2.00	-
<b>TOTAL</b>	<b>37.00</b>	<b>10.00</b>

# Net of INR 90 lakhs transferred to other current assets (note 16), being services rendered in connection with transaction cost on proposed equity issue.



**Bikaji Foods International Limited**

**Notes on Consolidated Financial Statements for the year ended March 31, 2020**

*(All amounts in INR lakhs, unless otherwise stated)*

**Note 33 (b): Details of corporate social responsibility as per Section 135 (5) of act and rules made thereunder:**

As per provision of Section 135 of the Companies Act, 2013 read with Companies Amendment Act, 2019, the Group has to spent at least 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII	148.16	136.77
Amount spent during the year on		
(i) Construction/ acquisition of an asset	-	-
(ii) On purpose other than (i) above	181.50	145.30
<b>TOTAL</b>	<b>181.50</b>	<b>145.30</b>

**Note 34: Earnings per share**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax	5,637.03	5,101.19
Weighted average number of equity share	243.13	241.91
Basic and diluted earnings per share	23.18	21.09
Face value per equity share	10.00	10.00

Earnings per share calculations are done in accordance with Ind AS 33 "Earnings per share".

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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**Note 35: Employee benefits obligations**

**(a) Defined contribution plans**

**i. Provident fund and other fund**

The Group makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes.

Provident fund and employees' state insurance plan scheme is a defined contribution scheme established under a state plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

The Group has recognised following amounts as expense in the statement of profit and loss:

Particulars	March 31, 2020	March 31, 2019
Included in contribution to provident and other funds (refer note 30)		
Employees' state insurance plan	105.34	113.07
Provident fund	207.87	119.14

**(b) Defined benefit plan: Gratuity**

The Group has a defined benefit gratuity plan. The gratuity scheme of a Group is covered under a group gratuity cum life assurance cash accumulation policy offered by LIC of India. The funding to the scheme is done through an approved gratuity trust. Every employee who has completed a minimum a five years service is entitled to gratuity based on fifteen days last drawn salary for every completed year of service to a maximum of INR 20 lakhs. The disclosures as required pursuant to the Ind AS 19 is as under:

**(i) Net employee benefit expenses recognised in the statement of profit and loss**

Particulars	March 31, 2020	March 31, 2019
Service cost	141.73	74.30
Net interest cost	21.03	15.21
Total defined benefit cost included in profit and loss	162.76	89.51

**(ii) Current/ non-current bifurcation**

Particulars	March 31, 2020	March 31, 2019
Current benefit obligation	154.14	95.09
Non-current benefit obligation	669.84	412.42
Liability recognised in the balance sheet	823.98	507.51

**(iii) Net employee benefit expenses recognised in other comprehensive income**

Particulars	March 31, 2020	March 31, 2019
Total amount recognised in other comprehensive income (OCI)	137.50	95.50

**(iv) Key financial assumptions used at the end of the year**

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.61%	7.39%
Salary escalation rate	8.00%	7.00%

**(v) Actual return on plan asset**

Particulars	March 31, 2020	March 31, 2019
Interest income on plan assets	18.20	11.01
Remeasurements on plan assets	(1.39)	(1.40)
Actual return on plan assets	16.81	9.61

**(vi) Analysis of amounts recognised in other comprehensive (income)/ loss at the end of the year**

Particulars	March 31, 2020	March 31, 2019
Amount recognised in OCI, beginning of the year	26.21	(69.28)
Remeasurements due to:		
Effect of change in financial assumptions	67.67	12.89
Effect of change in demographic assumptions	(21.78)	(27.65)
Effect of experience adjustments	90.23	108.86
Return on plan assets (excluding interest)	1.39	1.40
Total remeasurements recognised in OCI	137.51	95.50
Amount recognised in OCI, end of the year	163.72	26.22





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(xiii) Sensitivity analysis

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation (discount rate + 100 basis points)	(35.34)	(34.18)
Defined benefit obligation (discount rate - 100 basis points)	43.25	39.71
Defined benefit obligation (salary escalation rate + 100 basis points)	41.02	38.44
Defined benefit obligation (salary escalation rate - 100 basis points)	(35.62)	(33.32)

**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:

- i) **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.
- ii) **Investment risk:** If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- iii) **Discount rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- iv) **Mortality and disability:** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- v) **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**Note 36: Related party disclosures**

The list of related parties as identified by the Management is as under:

Relationship	Name of related party
Subsidiary	Bikaji Foods (London) Limited
	Shiv Ratan Agarwal (Managing Director)
	Deepak Agarwal (Director)
	Sushila Devi Agarwal (Director)
Key managerial personnel (KMP)	Shweta Agarwal (Director)
	Shambhu Dayal Gupta (Chief Financial Officer)
	Divya Navani (Company Secretary)
	Mastkin Foods Private Limited
	Basant Vihar Hotels Private Limited
Enterprises over which key managerial personnel are able to exercise significant influence	Hanuman Agro Foods Private Limited

**(a) Key managerial personnel compensation**

Particulars	March 31, 2020	March 31, 2019
<b>Short-term employee benefits</b>		
Shiv Ratan Agarwal	296.00	252.00
Deepak Agarwal	296.00	252.00
Sushila Devi Agarwal	75.00	66.00
Shweta Agarwal	90.00	78.00
Shambhu Dayal Gupta	15.36	15.36
Divya Navani	4.80	4.80
<b>Total compensation</b>	<b>777.16</b>	<b>668.16</b>

**(b) Transactions with related parties**

The following transactions occurred with related parties:

Particulars	March 31, 2020	March 31, 2019
<b>Sales and purchases of goods and services</b>		
<b>Sale of goods to entity controlled by key managerial personnel:</b>		
Mastkin Foods Private Limited	111.49	273.92
<b>Services taken from entity controlled by key managerial personnel:</b>		
Basant Vihar Hotels Private Limited	167.31	131.94



**Bikaji Foods International Limited**  
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**Other Transactions**

**Particulars**

**Investments**

Investment in Compulsorily Convertible Preference Shares (CCPS) fair value through profit and loss of Hanuman Agro Foods Private Limited

Investment in Compulsory Convertible Debentures (CCD) fair value through profit and loss of Hanuman Agro Foods Private Limited

**Provision for diminution in the value of investment**

CCD of Hanuman Agro Foods Private Limited

**Gain on equity instrument through OCI**

CCPS of Hanuman Agro Foods Private Limited

**Rent paid to key managerial personnel**

Shiv Ratan Agarwal

Sushila Devi Agarwal

Deepak Agarwal

**Sale of property, plant and equipments assets to key managerial personnel**

Deepak Agarwal

**Reimbursement of expenses paid on behalf of directors**

Shiv Ratan Agarwal

**Reimbursement of expenses paid by directors on behalf of Group**

Deepak Agarwal

	March 31, 2020	March 31, 2019
	-	10.00
	2,265.00	-
	239.00	-
	1,325.44	-
	9.36	9.36
	9.84	9.84
	7.20	7.20
	-	33.00
	0.54	-
	100.90	-

**(c) Outstanding balances arising from sales/ purchases of goods and services and other transactions**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

**Particulars**

**Trade receivables**

Mastkin Foods Private Limited

**Trade payables**

Basant Vihar Hotels Private Limited

**Investments at fair value through FVTPL/ FVTOCI (refer note 7)**

Investment in Compulsorily Convertible Preference Shares (CCPS) fair value through OCI of Hanuman Agro Foods Private Limited

Investment in Compulsory Convertible Debentures (CCD) fair value through profit and loss of Hanuman Agro Foods Private Limited

	March 31, 2020	March 31, 2019
	59.77	36.66
	20.14	-
	1,616.74	291.31
	2,026.00	-

**Notes**

(a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(b) No amount has been provided as doubtful debts or advances/ written off or written back in the year in respect of debts due from/ to above related parties.







**Bikaji Foods International Limited**  
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**Note 38: Segment reporting**

The Group primarily operates in the FMCG segment. The board of directors of the Group, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

Geographical locations: The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

The following information discloses revenue from external customers based on geographical areas:

**a. Revenue from external customers**

Particulars	March 31, 2020	March 31, 2019
India	1,01,614.27	86,670.69
Outside India	3,153.41	2,339.07
<b>TOTAL</b>	<b>1,04,767.68</b>	<b>89,009.76</b>

**b. Segment revenue with major customers**

During the year 31 March 2020, 11.04% (Previous Year 11.84%) of the Group's revenue was generated from one customer.

**Note 39: Leases**

The Group has taken shops, flats and godowns on operating leases. These lease arrangements range for a period between 11 months to 5 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. Information about the leases for which the Group is a lessee is presented below:

**(i) Right-of-use asset**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at April 01, 2019	206.15	-
Depreciation for the year	52.49	-
<b>Balance at March 31, 2020</b>	<b>153.66</b>	<b>-</b>

**(ii) Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movement during the year:

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at April 01, 2019*	206.15	-
Accretion of interest	20.52	-
Payments	(61.90)	-
<b>Balance at March 31, 2020</b>	<b>164.77</b>	<b>-</b>

Particulars	As at March 31, 2020	As at March 31, 2019
Current	118.79	-
Non-current	45.98	-
<b>Total</b>	<b>164.77</b>	<b>-</b>

\*As at date of initial application of Ind AS 116 "Leases".

Below are the amounts recognised by the Group in statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Interest expense on lease liabilities	20.52	-
Depreciation expense for right-of-use assets	52.49	-
Expense relating to short term leases	108.50	-
<b>Total</b>	<b>181.51</b>	<b>-</b>

Below are the amounts recognised by the Group in statement of cash flows:

Particulars	March 31, 2020	March 31, 2019
Total cash outflow for leases	(61.90)	-

**Extension options:**

Lease contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only on mutual agreement. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.



**Bikaji Foods International Limited**  
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**Impact of adoption of Ind AS 116:**

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, comparative information has not been restated and continues to be reported under Ind AS 17 "Leases".

The Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application and the right-of-use asset at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
5. 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 adoption of new accounting standard resulted in recognition of right-of-use assets of INR 206.15 lakhs and lease liabilities of INR 206.15 lakhs on April 01, 2019.

The incremental borrowing rate for the Group is 10% per annum. The Group has applied the weighted average incremental approach to determine the incremental borrowing rate as per Ind AS 116.

The table below provides explanation of difference between operating lease commitments disclosed applying Ind AS 17 at the end of the annual reporting period immediately preceding the date of initial application, discounted using the incremental borrowing rate and lease liabilities recognised in the balance sheet at the date of initial application:

Particulars	Amount
Operating lease commitments disclosed as at March 31, 2019	77.31
Less: Non-lease component as per Ind AS 116	(77.31)
Lease liability recognised as at April 01, 2019	206.15

**Operating lease: Group as lessee**

Particulars	March 31, 2020	March 31, 2019
Not later than 1 year	118.79	26.52
Later than 1 year but not later than 5 years	45.98	50.79
More than 5 years	-	-



**Bikaji Foods International Limited**  
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**Note 40: Fair values**

**Fair value instruments by category**

Particulars	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Financial assets carried at amortised cost</b>				
Security deposits	159.60	167.30	159.60	167.30
Loans	601.45	-	601.45	-
Trade receivables	4,171.26	3,897.75	4,171.26	3,897.75
Cash and cash equivalents	440.55	1,724.22	440.55	1,724.22
Other bank balances	9,804.87	8,608.90	9,804.87	8,608.90
Bank balance other than above	949.72	1,506.40	949.72	1,506.40
<b>Financial assets measured at fair value</b>				
Investment in equity instrument fair value through OCI (FVTOCI)	2.40	2.92	2.40	2.92
Investment in Compulsorily Convertible Preference Shares (CCPS) fair value through OCI (FVTOCI)	1,616.74	291.31	1,616.74	291.31
Investment in equity instrument fair value through profit and loss (FVTPL)	5.00	5.00	5.00	5.00
Investment in Compulsory Convertible Debentures (CCD) fair value through profit and loss (FVTPL)	2,026.00	-	2,026.00	-
<b>Total of financial assets</b>	<b>19,777.59</b>	<b>16,203.80</b>	<b>19,777.59</b>	<b>16,203.80</b>

**Financial liabilities carried at amortised cost**

<b>Borrowings</b>				
- Short term	3,539.86	3,825.39	3,539.86	3,825.39
- Long term	1,712.54	3,430.82	1,712.54	3,430.82
Lease liabilities	164.77	-	164.77	-
Trade payables	1,429.95	2,925.55	1,429.95	2,925.55
Trade deposits from customers	129.08	116.94	129.08	116.94
Other current financial liabilities	2,789.11	964.63	2,789.11	964.63
<b>Total financial liabilities</b>	<b>9,765.31</b>	<b>11,263.33</b>	<b>9,765.31</b>	<b>11,263.33</b>

**Note 41: Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.
- Level 3: Unobservable inputs for the asset or liability.

**Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2020:**

Particulars	Fair value measurement using		
	Level 1	Level 2	Level 3
<b>Financial assets carried at amortised cost</b>			
Security deposits	-	-	159.60
Loans	-	-	601.45
Trade receivables	-	-	4,171.26
Cash and cash equivalents	-	-	440.55
Other bank balances	-	-	9,804.87
Bank balance other than above	-	-	949.72
<b>Financial assets measured at fair value</b>			
Investment in equity instrument fair value through OCI (FVTOCI)	2.40	-	-
Investment in Compulsorily Convertible Preference Shares (CCPS) fair value through OCI (FVTOCI)	-	-	1,616.74
Investment in equity instrument fair value through profit and loss (FVTPL)	-	-	5.00
Investment in Compulsory Convertible Debentures (CCD) fair value through profit and loss (FVTPL)	-	-	2,026.00
<b>Total of financial assets</b>	<b>2.40</b>	<b>-</b>	<b>19,775.19</b>



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

Particulars	Fair value measurement using		
	Level 1	Level 2	Level 3
<b>Financial liabilities carried at amortised cost</b>			
Borrowings			
- Short term	-	-	3,539.86
- Long term	-	-	1,712.54
Lease liabilities	-	-	164.77
Trade payables	-	-	1,429.95
Trade deposits from customers	-	-	129.08
Other current financial liabilities	-	-	2,789.11
<b>Total financial liabilities</b>	-	-	<b>9,765.30</b>

**Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2019:**

Particulars	Fair value measurement using		
	Level 1	Level 2	Level 3
<b>Financial assets carried at amortised cost</b>			
Security deposits	-	-	167.30
Trade receivables	-	-	3,897.75
Cash and cash equivalents	-	-	1,724.22
Other bank balances	-	-	8,608.90
Bank balance other than above	-	-	1,506.40
<b>Financial assets measured at fair value</b>			
Investment in equity instrument fair value through OCI (FVTOCI)	2.92	-	-
Investment in Compulsorily Convertible Preference Shares (CCPS) fair value through OCI (FVTOCI)	-	-	291.31
Investment in equity instrument fair value through profit and loss (FVTPL)	-	-	5.00
Investment in Compulsory Convertible Debentures (CCD) fair value through profit and loss (FVTPL)	-	-	-
<b>Total of financial assets</b>	<b>2.92</b>	<b>-</b>	<b>16,200.88</b>
<b>Financial liabilities carried at amortised cost</b>			
Borrowings			
- Short term	-	-	3,825.39
- Long term	-	-	3,430.82
Trade payables	-	-	2,925.55
Trade deposits from customers	-	-	116.94
Other current financial liabilities	-	-	964.63
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,263.33</b>

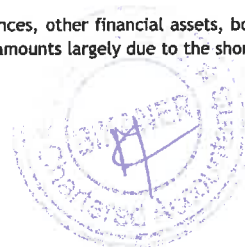
**Assets for which fair values are disclosed as at March 31, 2020 (refer note 5):**

Particulars	Fair value measurement using		
	Level 1	Level 2	Level 3
Investment properties	-	-	3,189.42
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,189.42</b>

**Assets for which fair values are disclosed as at March 31, 2019 (refer note 5):**

Particulars	Fair value measurement using		
	Level 1	Level 2	Level 3
Investment properties	-	-	636.37
<b>Total</b>	<b>-</b>	<b>-</b>	<b>636.37</b>

The Management assessed that fair value of trade receivables, loans, cash and bank balances, other bank balances, other financial assets, borrowings, lease liabilities, trade payables, trade deposits from customers and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. There have been no transfers between level 1 and level 2 during the year.



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 42: Financial risk management**

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade payables, trade deposits from customers and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and term deposits that derive directly from its operations. The Group also hold investments measured at cost, fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**(A) Market risk analysis**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings, term deposits, and investments measured at FVTPL and FVTOCI.

**(i) Foreign currency risk**

The Group has international transactions and is exposed to foreign exchange risk arising from its operating activities (revenue and purchases denominated in foreign currency). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. To mitigate the Group's exposure to foreign currency risk, non-INR cash flows are monitored in accordance with the Group's risk management policies.

**Foreign currency risk exposure:**

Particulars	March 31, 2020	March 31, 2019
<b>Financial assets</b>		
Trade receivables		
- USD	7.13	6.87
<b>Total</b>	<b>7.13</b>	<b>6.87</b>
<b>Financial liabilities</b>		
Payable for capital creditors		
- USD	-	0.40
<b>Total</b>	<b>-</b>	<b>0.40</b>

**Foreign currency sensitivity analysis**

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Increase/decrease in %	Effect on profit or loss	
		March 31, 2020	March 31, 2019
USD	2.00	10.74	8.95
	2.00	(10.74)	(8.95)

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Interest rate exposure**

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Variable rate borrowings	5,165.75	6,142.57
Fixed rate borrowings	86.65	44.75
<b>Total borrowings</b>	<b>5,252.40</b>	<b>6,187.32</b>

**Interest rate sensitivity analysis**

Profit or loss and equity is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Interest rates increase by 0.5%	25.83	30.71
Interest rates decrease by 1%	(51.66)	(61.43)





**Bikaji Foods International Limited**  
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*(All amounts in INR lakhs, unless otherwise stated)*

**(B) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**(i) Trade receivable**

Customer credit risk is managed by the Group subject to the Group's established receivable management policy. The policy details how credit will be managed, past due balances collected, allowances and reserves recorded and bad debt written off. Credit terms are the established timeframe in which customers pay for purchased product. Outstanding customer receivables are regularly monitored by the Management.

An impairment analysis is performed at each reporting date on an individual basis for customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Movement in expected credit loss on trade receivables during the year:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Balance at April 01, 2019	31.06	-
Add: Additional provision (net) towards credit impaired receivables	18.26	31.06
<b>Balance at March 31, 2020</b>	<b>49.32</b>	<b>31.06</b>

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**(C) 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. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

Particulars	As at			Total
	March 31, 2020			
	Less than 1 year	1-5 years	More than 5 year	
<b>(A) Non-derivative:</b>				
Borrowings including interest accrued	3,539.86	1,712.54	-	5,252.40
Lease liabilities	164.77	-	-	164.77
Trade payables	1,429.95	-	-	1,429.95
Trade deposits from customers	129.08	-	-	129.08
Other current financial liabilities	2,789.11	-	-	2,789.11
<b>Total non-derivative financial liabilities</b>	<b>8,052.77</b>	<b>1,712.54</b>	<b>-</b>	<b>9,765.31</b>
<b>(B) Derivative:</b>				
<b>Total derivative financial liabilities</b>	-	-	-	-
<b>Total (A+B)</b>	<b>8,052.77</b>	<b>1,712.54</b>	<b>-</b>	<b>9,765.31</b>

Particulars	As at			Total
	March 31, 2019			
	Less than 1 year	More than 1 year	More than 5 year	
<b>(A) Non-derivative:</b>				
Borrowings including interest accrued	3,825.39	2,805.82	625.00	7,256.21
Trade payables	2,925.55	-	-	2,925.55
Trade deposits from customers	116.94	-	-	116.94
Other current financial liabilities	964.63	-	-	964.63
<b>Total non-derivative financial liabilities</b>	<b>7,832.51</b>	<b>2,805.82</b>	<b>625.00</b>	<b>11,263.33</b>
<b>(B) Derivative:</b>				
<b>Total derivative financial liabilities</b>	-	-	-	-
<b>Total (A+B)</b>	<b>7,832.51</b>	<b>2,805.82</b>	<b>625.00</b>	<b>11,263.33</b>



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 43: Capital management policies and procedures**

**(a) Risk management**

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Group are summarised as follows:

Particulars	March 31, 2020	March 31, 2019
Equity	52,916.10	46,985.49
<b>Total equity (i)</b>	<b>52,916.10</b>	<b>46,985.49</b>
Total borrowings	5,252.40	7,256.21
Less: Cash and bank balances (including deposits with banks)	10,245.42	10,333.12
<b>Total debt (ii)</b>	<b>(4,993.02)</b>	<b>(3,076.91)</b>
<b>Overall financing (iii)= (i)+(ii)</b>	<b>47,923.08</b>	<b>43,908.58</b>
<b>Gearing ratio (ii)/(iii)</b>	<b>-10.42%</b>	<b>-7.01%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020.

**(b) Dividend distribution**

Particulars	March 31, 2020	March 31, 2019
Dividend paid for the year ended March 31, 2019 INR 2 per share (Previous year: INR 2 per share)	486.27	486.27
Dividend distribution tax	102.95	102.95

Dividend on equity shares are subject to shareholders' approval at the annual general meeting. This amount has not been recorded as a liability for the year ended March 31, 2020.

**Note 44:** Bikaji Foods (London) Limited (the "Subsidiary") was incorporated as a Private Limited Company with the Registrar of Companies for England and Wales vide certificate of registration issued by the said office on 27th August, 2019. The directors of the Company are i) Gaurave Sood; and ii) Shivratan Agarwal. The Company was incorporated with the purpose of exploring the opportunity of food business in United Kingdom (UK).

**Note 45:**

The Group has solar plants located at Kolayat and Gajner, Bikaner. The plants were setup in 2013 and 2014, respectively. In the current year, the Holding Company has filed a Writ Petition against Department of Energy (Rajasthan), Rajasthan Electricity Regulatory Commission, Jodhpur Vidyut Vitran Nigam Limited and Rajasthan Urja Vikas Nigam Limited, for dispute related to power purchase agreement ("PPA"). In the absence of realisability from electricity board, the Group has not recognised revenue from solar plants during the financial year 2019-2020. The dispute on PPA has led the Group to assess the carrying value of the solar plants in its books. Management, based on the assessment of future cash generation, life of asset and contractual terms of PPA, has impaired INR 297 lakhs during the year.

**Note: 46 Impact of Covid-19**

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian Government announced a strict 21 days lockdown across the country to contain the spread of the virus, which has been/ was further extended till May 03, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The Management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.



**Bikaji Foods International Limited**  
**Notes on Consolidated Financial Statements for the year ended March 31, 2020**  
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**Note 47: Additional information as required under Schedule III of the Act, of enterprises consolidated as subsidiary company:**

**For the year ended March 31, 2020**

Particulars	Share in net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Bikaji Foods International Limited	99.78%	52,798.02	100.04%	5,639.53	100.05%	883.26	100.05%	6,522.79
<b>Subsidiary incorporated outside India:</b>								
Bikaji Foods (London) Limited	0.22%	118.08	-0.04%	(2.50)	-0.05%	(0.47)	-0.05%	(2.97)
<b>Total</b>	<b>100.00%</b>	<b>52,916.10</b>	<b>100.00%</b>	<b>5,637.03</b>	<b>100.00%</b>	<b>882.79</b>	<b>100.00%</b>	<b>6,519.82</b>

For the year ended March 31, 2019, no subsidiary was consolidated.


**Note 48:**

Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

**Note 49:**


The financial statement are approved for issue by the audit committee and the board of directors at its meeting held on December 30, 2020.

For MSKA & Associates  
Chartered Accountants  
Firm Registration No.: 105047W

  
**Amit Mitra**  
Partner  
Membership No.: 094518  
Place: Gurugram  
Date: December 30, 2020



For M Surana & Company  
Chartered Accountants  
Firm Registration No.: 015312C

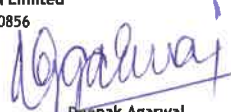
  
**Manish Surana**  
Partner  
Membership No.: 077597  
Place: Bikaner  
Date: December 30, 2020



For and on behalf of the Board of Directors of  
Bikaji Foods International Limited  
CIN : U15499RJ1995PLC010856

  
**Shiv Ratan Agarwal**  
Managing Director  
DIN: 00192929  
Place: Bikaner  
Date: December 30, 2020

  
**Shambhu Dayal Gupta**  
Chief Financial Officer  
PAN: ADFPG0151L  
Place: Bikaner  
Date: December 30, 2020

  
**Deepak Agarwal**  
Director  
DIN: 00192890  
Place: Bikaner  
Date: December 30, 2020

  
**Divya Navani**  
Company Secretary  
Membership No.: 026014  
Place: Bikaner  
Date: December 30, 2020