

**ANJANI FOODS LIMITED**

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

tel 040 4033 4848
fax 040 4033 4818

REGD. OFFICE

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

CIN
L65910AP1983PLC004005

September 05, 2021

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Scrip Code: **511153** Trading Symbol: **ANJANIFOODS**

Dear Sir/Madam,

**Sub: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- submission of Annual Report**

This is in continuation of our letters dated August 31, 2021. We wish to inform you that the 37th Annual General Meeting (AGM) of the Company will be held on Tuesday, 28th September, 2021 at 3.00 PM. through Video Conferencing (VC) and Other Audio-Visual Means (OAVM) facility, in accordance with General Circular nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India (SEBI Circulars) without the physical presence of the Members at a common venue.

In this regard, we enclose a copy of the Notice of the 37th AGM along with Annual Report for the financial year 2020-21, being dispatched to the members of the Company.

In terms of Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 91 of the Companies Act, 2013 including rules made thereunder, the Register of Members / Share Transfer Books of the Company will remain closed from September 22, 2021 to September 30, 2021 (both days inclusive), for the purpose of AGM.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For ANJANI FOODS LIMITED

Mohammed Ibrahim Pasha
Company Secretary and Compliance Officer





anjani
foods

Annual Report

Anjani Foods Ltd.

2020-21

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corporate information

Board of Directors

Mr. K.V. Vishnu Raju

Chairman

Mr. K.Aditya Vissam

Managing Director

Mr. R.Ravichandran

Whole time Director

Ms. K.Anuradha

Director

Mr K.Hari Babu

Independent Director

Mr P. S. Ranganath

Independent Director

Mr. P.S.Raju

Independent Director

Mr S.V.S.Shetty

Independent Director

Mr B.Rajasekhar

CFO upto: 30.07.2020)

Mr. D. Venu Gopal

CFO (from 01.02.2021)

Ms. R. K. Pooja

CS (upto: 30.06.2021)

Mr. Md. Ibrahim Pasha

CS (from 01.07.2021)

Auditors

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

Secretarial Auditors

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

Bankers

Indian Bank

37TH

ANNUAL GENERAL MEETING

DATE **28th Sep 2021**

DAY **Tuesday**

TIME **3.00 PM**

MODE **Video Conferencing (VC)**

Anjani Foods Ltd.

CIN

L65910AP1983PLC004005

Registered Office

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

Corporate Office

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

Share Registrars and Transfer Agents

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



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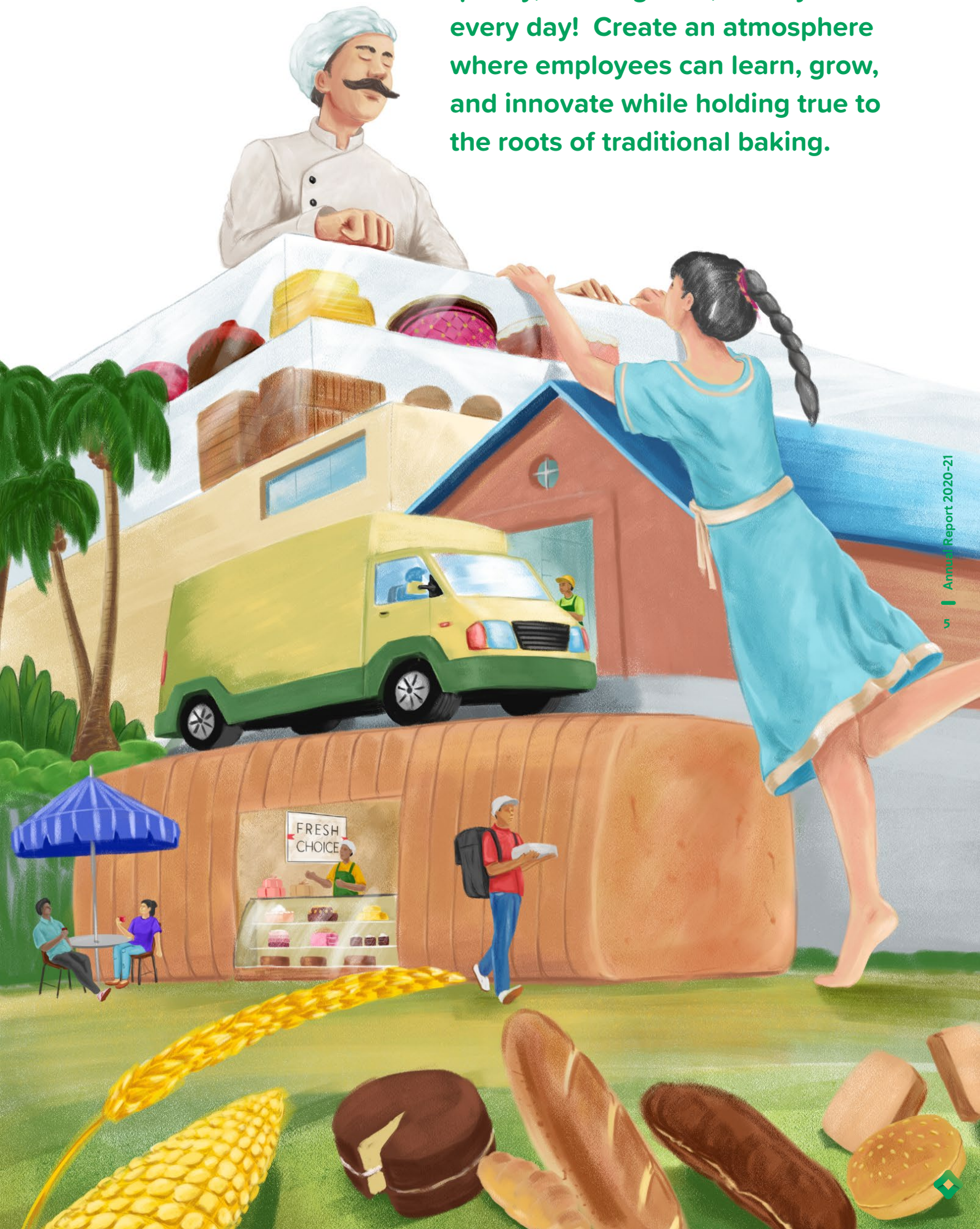
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mission

To be the best baker, making quality, baked goods, freshly baked every day! Create an atmosphere where employees can learn, grow, and innovate while holding true to the roots of traditional baking.



vision

The company has been founded with an objective of serving its customers with quality food products produced hygienically, while maintaining the best process and service standards. The employees are at the core of building the culture of teamwork, ethics and safety for themselves and the customers. We continue to invest in the growth, of the company balancing sustainability and profitability, and create long-term value for its shareholders.

Building loyal customer base, for sustained growth



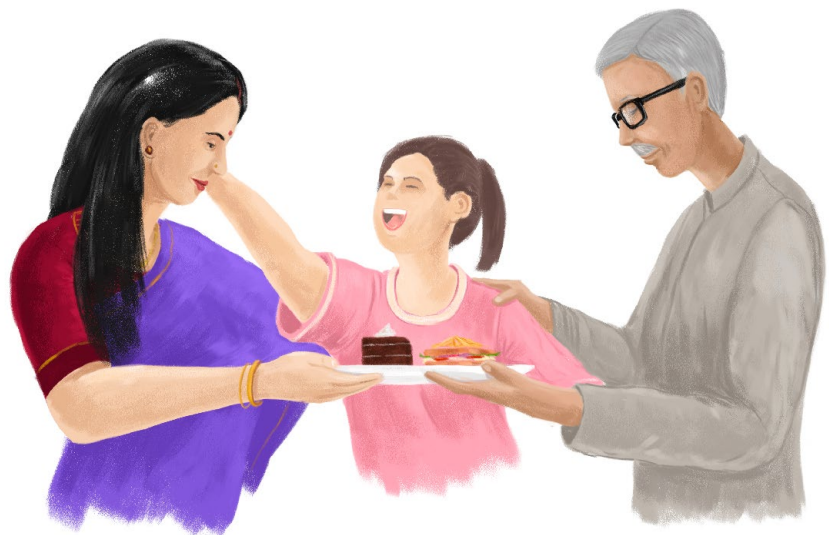
Food products produced hygienically with global quality standards



Safety as a mantra for both employees and our customers



Expanding markets to serve different market segments in the most efficient way.



A flexible and innovative approach towards creating customer delight, with deep knowledge in food trends for safe and healthy consumption.



core values

Quality

To establish and maintain high-quality standards in services and products and be curious in seeking improvements.



Value

To create value beyond customer expectations.



Productivity

To complete our tasks and responsibilities effectively and efficiently.



Ethics

Strict adherence to our code of ethics



Work environment

That fosters a sense of belonging and empowerment.



Key Highlights for FY 2020-21

3128.38
lacs

Revenue
from Operations

306.40
lacs

Net Profit

8%

in Dividends

Rs
65
million

Investment in
machinery and
infrastructure
in 2020-21

45 tonnes

Tonnes of
Cakes & Pastries
sold

410 Total
Employees

1478
tonnes

of flour used
to make various
products

22

Total Outlets
in Operation

8 million

Bread loaves
sold in 2020-21

40 lacs
in value

Cakes & Desserts
Breads & Buns

13%
71%

Major Category contribution in FY 2020-21

10,000 +

Online Deliveries
during lockdown
1 & 2



Brand Snapshot



Patisserie, Bakery & Cafe



Chairman Statement

K V Vishnu Raju
Chairman

Dear Shareholders,

I am happy to note that Anjani Foods has laid down a clear roadmap for its future. The transformation to becoming a “retail first” company has happened over much iteration. It has established itself as a market leader in Cakes, Desserts, Bread and baked goods.



“Out of your vulnerabilities will come your strength.”

Sigmund Freud

Interestingly the Bakery industry in India is going through a clear differentiation amongst multitude brands and formats. The industry is also aligning to the healthy consumption needs of its discerning consumers. The pandemic has accelerated the consumption trends towards trusted brands and packaged food.

“Fresh Choice” as a brand was very active during these times and served its consumers diligently while adhering to the safety norms of its employees. The retail outlets were kept sanitized and protocols followed for customer safety.

The Covid pandemic has created a lot of upheavals in the economy and livelihoods were lost. At Anjani Foods, we continued to serve the community around us by honoring the “front line warriors” including medical staff, Police, and the sanitation workers who served the public relentlessly. We provided provisions, food and other gears to keep these warriors motivated and appreciated.

We also helped the community around the factory by such initiatives and also provided jobs. Many of them lost their livelihood during the initial period of the pandemic. We incentivized our marketing staff and the retail staff along with the drivers of the delivery vehicles as they chose to keep the customers of fresh choice well served, and ensured availability of essential items like bread.

Anjani Foods will continue to grow with confidence, and serve its shareholders. The company has maintained its revenue with very limited products during the various lockdowns of the market. Bread, as a single category, grew over 100% and resulted in AFL putting up a state of the art Production facility for bread manufacturing.

AFL will continue to invest in new markets and new product categories and show double-digit growth consistently over the next decade.



Managing Director Statement

K. Aditya Vissam
Managing Director

Dear Shareholders,

The brand Fresh Choice has and will continue to have a very unique model which is to operate company owned retail stores that offer a wide range of product categories that include baked items, desserts, cakes and beverages; along with distributing certain product segments that can be classified as packaged foods to modern trade and general trade outlets. The brand as a whole intends to position itself in such a manner that the company operated retail stores can leverage on the strengths of the packaged foods division and vice-versa.



Currently, under the Fresh Choice brand, there are 22 company owned outlets in various formats and sizes. In terms of the geography of these retail outlets, currently these outlets are predominantly present across the districts of Visakhapatnam, Vizianagaram and Srikakulam. About 6 outlets are present in the format of student cafes within college campuses. A shop-in-shop outlet at a leading supermarket in Hyderabad and an outlet in the largest residential community in Hyderabad make up the remaining outlets. The branding and customer experience within these stores are not standardized. The management has decided to address this matter during the coming financial year and bring a level of uniformity among all the outlets. Also, to ensure that the customer experience standards are met, some of the older outlets that are non-performing and not aligned with the ideology will be reviewed and a decision to either renovate or alter the experience or a decision to close down some stores will be taken. For FY21-22, the company intends to open 5-6 new outlets. These new outlets will be integral to an exciting phase of our strategy and vision. In terms of revenue growth, we are projecting our retail revenue to go up by 40% for the coming financial year. Approximately 30% of the increased revenue is projected to be contributed by the new outlets as well as renovated outlets and 10% increase year on year is projected for same stores going by current trends.

In relation to the packaged foods division, majority of the sale during FY20-21 came from breads and buns. Fresh Choice is the market leader for this category in the Visakhapatnam, Vizianagaram and Srikakulam districts. In terms of the geography, our packaged foods are available across 5 districts of Andhra Pradesh. The company has a presence in also east and West Godavari other than districts mentioned above. Packaged foods via distribution channel contributed to about 60% of the overall sale of the company whereas company operated retail

stores contributed to 40% of the sale. The company is offering a wide basket of products to retailers and customers. Other than breads and bun related products, the company is offering rusk, cookies and bar cakes. One of the biggest goals of FY21-22 is to promote and have individual focus for each of these categories. To ensure our goals are met, production and operations have been ramped up significantly by setting up a state of the art dedicated bread and rusk line. This would help ease the burden on the production team massively and thus allow the marketing team to deliver a basket of products to the consumers. For FY 21-22, the company is confident with the infrastructure upgrades in production capacities, the overall revenue for distribution will increase by 40%.

Also, at present Fresh Choice is the only brand under AFL. There is a strong intent to create other food related brands under AFL that diversify beyond the conventional bakery outlets and packaged foods division. Once such area, the think-tank is exploring at entering, is the frozen foods segment. This category has been seeing double-digit growth over the past few years and with the rapid improvements in cold-chain infrastructure across the country, this segment is bound to grow as projected. To be precise, the team has identified a gap in the frozen dessert category as a sub category of frozen foods. Other than ice-creams, there aren't many other frozen dessert types available to the consumer. Potential to innovate and come up with interesting products is evident.



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**Quality is never an accident,
it is always the result of high
intention, sincere efforts,
intelligent direction and
skilful execution,
it represents the wise choice
of many alternatives**

by William A. Foster



Whole time Director Statement

Dear Shareholders,

Key Highlights/achievements during the year 2020-21

Your company was well positioned to take the first wave of the pandemic head-on. We served our markets and consumers effectively. The robust business model of “Company owned Retail outlets” and “Distribution of packaged products” with distributors for the 5 districts of Andhra Pradesh, has made it possible to cater to various segments of the consumers, uninterrupted.

R. Ravichandran
Wholetime Director



Q1 had record jump of 23 % over the previous quarter, and the same quarter previous year, by 13%. Bread was the single product category that was produced in volumes consistently to ensure our customers are well served in spite of limited “market hours”, both for Retail and shops in the various towns. By optimizing our product mix to have the maximum output, keeping the safety of our employees as paramount, we could achieve a profit growth of 6.74% for Q1, 5.25% for Q2 and 3.9% for Q3. The basket of goods sold was limited. Together with the Retail outlets, we kept our customers safe indoors and ensured the supply of their favorite cakes, dessert pastries, pizzas and sandwiches.

AFL plant is located just in the outskirts of Vishakhapatnam, in the district of Vizianagaram. This district was a “zero Covid infected” district and helped us produce bread and baked products with a safe working environment for our workers. We invested in sanitation and maintaining the hygiene levels at the factory, resulting in almost zero man-days lost during 2020-21.

Keeping in view the expansion for a separate bread, bun and rusk line, your company invested in capital expenditure of over Rs 65 million, to build a modern production facility with plant designed to meet the HACCP safety standards required in food production. The new plant came into commercial production during Q4, January 3rd 2021. The bread make up line was imported from Europe, keeping in mind our commitment for quality products with the best process and equipment.

Cream Bun as a product category has become a favorite during the pandemic, and we now invested on a separate line to cater to the growing segment.

We started one new outlet in 2020-21 to trial run

the concept of a Bakery in a RWA (Residential Welfare Association). This was a format started in Hyderabad during the COVID times. A product development lab was started in Hyderabad for appetizers, savories, pizzas and pastry desserts. All of them have been successfully monetized for improving the product range offerings for our consumers visiting our retail outlets. This resulted in the highest sale during the Christmas New year season, with AFL crossing Rs 15 million for the month

Your Q4 is start of Unit 2 commercial production. As there was a simultaneous market scale up and while ensuring availability of all product categories, the additional depreciation/Interest, fuel, power costs led to lower profit in that quarter. This has stabilized in Q1 2021-22 resulting in better operational efficiency.



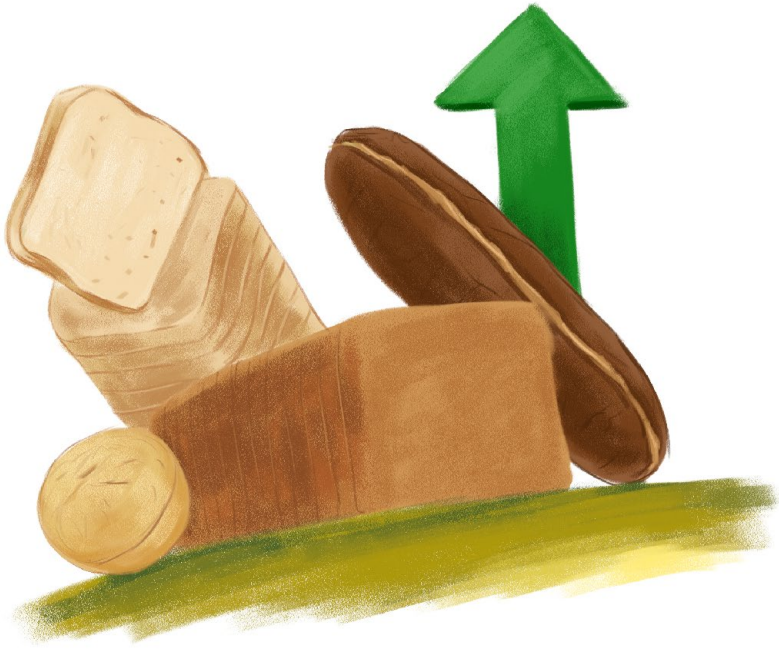
Key Products details and Market share

70%



In the Vishakapatnam region “Fresh Choice” enjoys a 70% market share given that most of the city customers have been with the brand since 1994.





75%

Bread and Buns contribute a major share of the distributed products market share, with over 75% of sales coming from this category.

Desserts

Macarons

Cheesecake

Chocolate Caramel Sandwich

Signature desserts @ Fresh Choice make it a favourite haunt for its young discerning customers.



Cake

Cake as a category makes Fresh Choice the market leader with consumers preferring customized designs to celebrate various occasions. Our chocolate variants are most preferred; Black Forest, Mud Cake, Chocolate Truffle and Death by Chocolate are the favorites.



CSR activities

Corporate social responsibility (CSR) is a way of describing how companies measure and control their impact on society. The purpose of CSR is to give back to the society.

Corporate social responsibility can have a significant impact especially in their local communities. Keeping this in mind, your company has done the following CSR activities voluntarily during this pandemic period.

Company has distributed COVID care kits to frontline warriors (Police+Municipal workers). kit include the following:

Masks, Sanitisers, Burgers, French fries, Cookies and Frooti.

Company has also distributed food baskets along with Masks and sanitisers to the needy families of modavalasa village, Vizianagaram District, where the factory is located. baskets include the following:

Bread, Rice, Dal, Salt, Sugar, Oil packets and Onions etc.





N O T I C E

NOTICE IS HEREBY BE GIVEN THAT THE 37TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF ANJANI FOODS LIMITED WILL BE HELD ON TUESDAY, THE **28TH SEPTEMBER, 2021 AT 3.00 P.M** IST THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO-VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING ITEMS OF BUSINESS. THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY AT VISHNUPUR, DURGAPUR, GARAGAPARRU ROAD, BHIMAVARAM, ANDHRA PRADESH - 534 202.

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at March 31, 2021, the Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the Schedules and Notes attached thereto, along with the Reports of Auditors and Board of Directors thereon.
- 2 To appoint a Director in place of Mrs. K. Anuradha Raju who retires by rotation in terms of section 152(6) and being eligible, offers herself for reappointment as Director.
- 3 To confirm and declare Final Dividend at the rate of 8% for the financial year ended 31st March, 2021.

SPECIAL BUSINESS:

- 4 Re-appointment of Mr. P S Ranganath (DIN: 02042457) as an Independent Director of the Company. In this regard, to consider and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b), 25 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the Performance Evaluation, recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and in respect of whom the Company has received a notice in writing from a Member under Section 160



of the Companies Act, 2013, proposing his candidature for the office of Director, Mr. P S Ranganath (DIN: 02042457) be and is hereby re-appointed as an Independent Director of the Company for a remaining period of his tenure of ten years ending on 25th May, 2026 with an option to retire from the office at any time during the term of appointment.”

RESOLVED FURTHER THAT any Directors or Company Secretary of the Company be and are hereby severally authorized to take such steps, as may be required, for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the said resolution.”

5

Re-appointment of Mr. Haribabu Kolluri (DIN: 00669778) as an Independent Director of the Company In this regard, to consider and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b), 25 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the Performance Evaluation, recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, Mr. Haribabu Kolluri (DIN: 00669778) be and is hereby re-appointed as an Independent Director of the Company for a remaining period of his tenure of ten years ending on 28th May, 2024 with an option to retire from the office at any time during the term of appointment.”

RESOLVED FURTHER THAT any Directors or Company Secretary of the Company be and are hereby severally authorized to take such steps, as may be required, for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the said resolution.”

For and on Behalf of the Board of
Anjani Foods Limited

Place: Hyderabad
Date: 31-08-2021

Ibrahim Pasha Mohammed
Company Secretary



NOTES

1. In view of the prevailing COVID-19 pandemic situation across the country, the Ministry of Corporate Affairs (“MCA”) vide circular Nos.14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 05th May, 2020 and Circular No.02/2021 dated 13th January, 2021 read with Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (hereinafter collectively referred to as “the Circulars”) company is permitted to hold the Annual General Meeting (“AGM” or “Meeting”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during the AGM will be provided by NSDL.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking reappointment / regularisation at this AGM is annexed.
4. The final dividend as recommended by the Board of Directors, if declared, at the AGM, will be paid on or before October 27, 2021, to those members whose names shall appear on the Company’s Register of Members on September 21, 2021. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. The Company has notified that the Register of Members and Share Transfer Books of the Company will remain closed from September



22, 2021 to September 28, 2021 (both days inclusive) for the for determining the names of members eligible for dividend on Equity shares, if declared at the meeting.

6. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrars and Transfer Agents, KFin Technologies Private Limited (“KFin”) for assistance in this regard.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to KFin Technologies Private Limited in case the shares are held by them in physical form.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. To promote green initiative, Members who have not registered their email addresses are requested to register the same with their depository participants in case the shares are held by them in electronic form and with Kfin, in case the shares are held in physical form.
12. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company’s website <https://www.anjanifoods.in/>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KFin in case the shares are held in physical form.



13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFin, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 28, 2021 through email on cs@freshchoice.in
16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021 Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and

Annual Report 2020-21 will also be available on the Company's website www.anjanifoods.in, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSDL at <https://www.evoting.nsdl.com/>. Members whose email IDs are not registered with the Company/Depositories are requested to follow the process provided further for registration of email IDs with the depositories for procuring user ID & password and registration of email IDs for e-voting for the resolutions set out in this notice.

17. The Statutory Registers and the documents pertaining to the items of business to be transacted at the AGM are available for inspection in electronic mode. The shareholders may write an e-mail to cs@freshchoice.in and the Company shall respond suitably.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. Instructions for e-voting and joining the AGM are as follows:

Instructions for members for remote e-voting:

As per the circular of SEBI on e-voting facility provided by Listed Companies dated December 09, 2020, all individual shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Members are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Individual Members (holding securities in demat mode) login through Depository:

The procedure to login and access remote e-voting, as devised by the Depository, is given below:



1 Users already registered for IDeAS facility of NSDL may follow the following procedure:

1. Click on URL: <https://eservices.nsdl.com>
2. Click on the 'Beneficial Owner' icon under 'IDeAS' section.
3. Enter your User ID and Password for accessing IDeAS.
4. On successful authentication, you will enter your IDeAS service login.
5. Click on 'Access to e-Voting' under Value Added Services on the panel available on the left hand side.
6. Click on 'Active e-voting Cycles' option under e-voting.
7. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.

2 Users not registered for IDeAS facility of NSDL may follow the following procedure:

1. To register, click on URL: <https://eservices.nsdl.com>
2. Select 'Register Online for IDeAS'.
3. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc.
4. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3 Users may directly access the e-voting module of NSDL as per the following procedure:

1. Click on URL: <https://eservices.nsdl.com>
2. Click on the button 'Login' available under 'Shareholder / Member section'.
3. Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen.
4. On successful authentication, you will enter the e-voting module of NSDL.
5. Click on 'Active E-voting Cycles / VC or OAVMs' option under e-voting.
6. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.

1 Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:

1. Click on URL: <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi
2. Enter your User ID and Password for accessing Easi / Easiest.
3. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.

2 Users not registered for Easi / Easiest facility of CDSL may follow the following procedure:

1. To register, click on URL <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
2. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc.
3. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3 Users may directly access the e-voting module of CDSL as per the following procedure;

1. Click on URL: www.cdslindia.com / OR <https://www.evotingindia.com>
2. Provide demat account number and PAN.
3. System will authenticate user by sending OTP on registered mobile & email as recorded in the demat account.
4. On successful authentication, you will enter the e-voting module of CDSL.
5. Click on Company name or e-voting service provider and you will be re-directed to KfinTech website for casting the vote during the remote e-voting period.



Individual Members (holding securities in demat mode) login through their depository participants.

Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL. An option for 'e-Voting' will be available once they have successfully logged-in through their respective logins. Click on the option 'e-Voting' and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). Click on the e-Voting link available against the name of Company or select e-Voting service provider 'KFin' and you will be re-directed to the e-Voting page of 'KFin' to cast your vote without any further authentication.

Important note:

Members who are unable to retrieve User ID / Password are advised to use 'Forgot User ID' / 'Forgot Password' options available on the websites of Depositories / Depository Participants.

Contact details in case of technical issue on NSDL website

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**

Contact details in case of technical issue on NSDL website

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **22-23058542-43**.

Applicable for non-Individual members and members holding shares in physical form.

Login method for non-individual members and members holding shares in physical form are given below:

1. Initial password is provided in the body of the email.
2. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
3. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your votes.

User ID For Members holding shares in Demat Form

For NSDL 8 character DP ID followed by 8 digits Client ID.

For CDSL 16 digits beneficiary ID.

User ID For members holding shares in Physical Form

Event Number followed by Folio No. registered with the Company

Password Your unique password is sent via e-mail forwarded through the electronic notice

Captcha Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.



4. After entering the details appropriately, click on LOGIN.
5. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT number of the Company.
8. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
9. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
10. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have

confirmed that you have voted on the resolution.

11. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
12. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. Tuesday, September 21, 2021 may obtain the user ID and password in the manner as mentioned below:

- i. If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL:

MYEPWD IN12345612345678

Example for CDSL:

MYEPWD 1402345612345678

Example for Physical:

MYEPWD XXXX1234567

- ii. If e-mail address or mobile number of the member is registered against Folio No. or DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. A member may call KFin toll free number 1-800-309-4001
- iv. A member may send an e-mail request to evoting@kfintech.com.
- v. If the member is already registered with KFin e-voting platform, then he / she can use his / her existing User ID and password for casting the vote through remote e-voting.



13. In case of any query on e-voting, Members may refer to the 'Help' and 'FAQs' sections / e-voting user manual available through a dropdown menu in the 'Downloads' section of KFin website for e-voting: <https://evoting.kfintech.com> or contact 'KFin', (Unit: Anjani Foods Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 at e-mail Mr. Veeda Raghunath raghu.veedha@kfintech.com at phone no. **1-800-309-4001** (toll free)

EVEN (E-Voting Event Number)

6225

User ID

Existing User ID

Password / PIN

Existing Password

The remote e-voting facility will be available during the following voting period:

Commencement of Remote e-voting

**From 9 a.m. (IST) on
Saturday, September 25, 2021**

End of Remote e-voting

**Up to 5 p.m. (IST) on
Monday, September 27, 2021**

The remote e-voting module shall be disabled for voting after the expiry of the date and time mentioned above. Once the vote on a resolutions(s) cast by the Member, the Member shall not be allowed to change it subsequently;

Members holding shares either in physical form or in dematerialized form and whose name is recorded in the register of Members or in the register of beneficial owners, as on the cut-off date, i.e. Tuesday, September 21, 2021 ('Eligible Members'), shall be entitled to exercise their right to vote by remote e-voting or voting during the AGM on any or all of the businesses specified in the Notice.

Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM on all of the businesses specified in the Notice convening the AGM. Further, an Eligible Member may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not vote again during the AGM. Only the Eligible Members shall be entitled to avail the facility of remote e-voting or the e-voting during the AGM;

In case a person has become a Member of the Company after the Notice of AGM is being sent but on or before the cut-off date for e-voting, i.e. Tuesday, September 21, 2021, may send an e-mail request to evoting@kfintech.com or call KFin's toll free number 1800-309-4001 for obtaining the credentials for remote e-voting;

Members are being provided with a facility to attend the AGM through electronic platform provided by KFin and the same can be accessed at <https://emeetings.kfintech.com>.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4

Keeping in View the contributions made by **Mr.P.S.Ranganath (DIN: 02042457)** and his rich experience in the field of accounts, finance and taxation, the board hereby proposes his ratification of appointment and reappointment as Non-executive Director under Independent capacity for the remaining period of his tenure of ten years which will expire on 25th May, 2026 subject to the approval of members by way of Special Resolution.

Considering the varied and rich experience, the Board is of the view that, under his supervision the company shall prosper in its business and as such the Board recommends passing of the resolution.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI Listing Regulations, 2015, **Mr.P.S.Ranganath** is eligible for re-appointment as Independent Directors of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives who are concerned or interested, financial or otherwise in the Resolution set out at Item Number 4 except for **Mr.P.S.Ranganath**.

Item No.5

Keeping in View the contributions made by Mr. Haribabu Kolluri (DIN: 00669778) and his rich experience in the field of logistics and business administration the board hereby proposes his ratification of appointment and reappointment as Non-executive Director under Independent capacity for the remaining period of his tenure of ten years which will expire on 28 May, 2024 subject to the approval of members by way of Special Resolution.

Considering the varied and rich experience, the Board is of the view that, under his supervision the company shall prosper in its business and as such the Board recommends passing of the resolution.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI Listing Regulations, 2015, Mr. Haribabu Kolluri is eligible for re-appointment as Independent Directors of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives who are concerned or interested, financial or otherwise in the Resolution set out at Item Number 4 except for Mr. Haribabu Kolluri.



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

Particulars	K.Anuradha Raju (DIN: 00399337)	P.S.Ranganath (DIN: 02042457)	K.Hari Babu (DIN: 00669778)
Date of Birth	12.03.1968 (53 years)	10.06.1964 (57 years)	15.12.1955 (66 Years)
Designation	Non-Executive Woman Director	Independent Director	Independent Director
Date of First Appointment	20.09.2014	25.05.2016	13.02.2011
Qualifications	B.Com	Chartered Accountant	B.Com
Experience/ expertise in specific functional areas	Administration, Operations and Finance	Accounts, Finance and Taxation	He has varied experience in the field of logistics and business administration.
Terms and conditions of reappointment	Non-executive director liable to retire by rotation	Re-appointment as a Non-Executive Independent Director for a second term of five (5) consecutive years	Re-appointment as a Non-Executive Independent Director for a period of three (3) consecutive years
No. of board meetings attended during the year	5	5	3
No. of shares held in the company	4,52,420	Nil	Nil
Remuneration last drawn	Nil	Nil	Nil
Remuneration proposed to be paid	Nil	Nil	Nil
Relationship with directors inter-se	Wife of Mr. K.V.Vishnu Raju and Mother to Mr. K.Aditya Vissam	Not related to any director and KMP	Not related to any director and KMP
List of directorships, Committee Chairmanship and membership held in other companies	<ol style="list-style-type: none"> 1) Gorinta Hotels Private Limited 2) Anjani Vishnu Holdings Limited 3) Anjani Cement (Karnatak) Limited 4) Anjani Vishnu Allied Services Limited 5) Senta Foodwork Private Limited 	<ol style="list-style-type: none"> 1) Vennar Ceramics Limited 2) Anjani Tiles Limited 3) Thousand Lights Chit Funds Private Limited 	<ol style="list-style-type: none"> 1) Venkatadri Developers Limited 2) Kolluri Impex Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Member of NRC Committee	Chairman of Audit Committee and Member of NRC Committee	Chairman of NRC Committee and member of Audit Committee and SRC Committee



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Directors Report

Dear Shareholders,

Your Directors hereby presents the 37th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2021. The summarized financial results for the year ended 31st March, 2021 are as under:

Financial Results

Particulars	31 st Mar 2021	31 st Mar 2020
Total income	3,128.38	2,779.71
Operating profit before interest, depreciation and tax	413.50	151.21
Interest and financial charges	37.27	37.05
Depreciation	75.92	65.21
Profit before taxation	300.31	48.95
Provisions for taxation	-0.55	0.59
Profit / (Loss) after taxation	300.86	48.36
Transfer to General Reserves	-	-
Provision for dividend	-	-
Provision for dividend tax	-	-
Other Comprehensive Income	5.55	18.49
Balance carried to Balance Sheet	306.40	66.85



Review of Operations

During the period, the total income of the Company increased to Rs. 3,128.38 lakhs as compared to Rs. 2,779.71 lakhs of the previous year. The net profit before tax for the period is Rs. 300.31 lakhs as compared to net profit of Rs. 48.95 lakhs of the previous year. The net earnings after tax and comprehensive income has increased to 306.40 lakhs as compared to a net profit of Rs. 66.85 lakhs in the previous year.

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

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

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

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

Directors' Responsibility Statement

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

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



Disclosures Under Section 134 of The Companies Act, 2013

1 State of affairs of the company

The Company operates in the business of Food and Beverages sector. During the year, the Company's Income has increased which is reflected in the financial results of the Company. The company operates through two supply channel of distribution. The first segment being "Retail" where bakery outlets are operational in various parts of the city in Visakhapatnam and Student's Café outlets in Bhimavaram & Hyderabad. The second segment of our supply chain is "Distribution & Modern Trade" where the products are sourced to 5 rural districts of Andhra Pradesh namely Visakhapatnam, Kakinada, Bhimavaram, East Godavari & West Godavari. The company aims at diversifying and penetrating new markets in other states with better quality products in the coming years.

2 Amounts, if any, they proposed to carry to any reserves

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

3 Dividend

The Directors have recommended 8% (i.e., Rs. 0.80/- per share) dividend for the year.

4 Share Capital:

The authorized share capital of the Company consists of 80,00,000 shares of face value of Rs. 10 each amounting to Rs. 8,00,00,000.

The paid-up share capital of the Company is Rs. 5,58,97,800 divided into 55,89,780 equity shares of Face Value Rs. 10 each.

During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

5 Deposits

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

6 Number of meetings of the Board

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

S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	30.07.2020	8	8	100
2.	31.08.2020	8	6	75
3.	13.11.2020	8	6	75
4	30.01.2021	8	5	75
5.	12.02.2021	8	7	88

Directors Attendance:

Name of the Director	Total No. of Meetings	No. of Meetings attended	% of Attendance
Mr. K.V. Vishnu Raju	5	5	100
Mrs. K. Anuradha Raju	5	5	100
Mr. K. Aditya Vissam	5	2	40
Mr. R. Ravichandran	5	5	100
Mr. P.S. Ranganath	5	5	100
Mr. P.S. Raju	5	4	80
Mr. K. Hari Babu	5	3	60
Mr. S.V.S.Shetty	5	3	60



On account of Covid-19 pandemic and consequent lockdown and relaxation provided by the Ministry of Corporate Affairs (MCA) vide General Circular No.11/2020 dated 24 March, 2020 the gap between the board meeting held 11.02.2020 and 30.07.2020 was within 180 days. Further the maximum gap between two consecutive board meetings held after 30.07.2020 was within the period of 120 days as prescribed under the provisions of Companies Act, 2013

7 Board Evaluation

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

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

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

8 Policy on Directors' appointment and remuneration and others details:

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

NOMINATION AND REMUNERATION POLICY OF ANJANI FOODS LIMITED

INTRODUCTION

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

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

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

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



1. Definitions

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

“Board” means Board of Directors of the Company.

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

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means Chief Executive Officer or the Managing Director or Manager, Whole-time director; Chief Financial Officer; Company Secretary; and Such other officer as may be prescribed by the Companies Act, 2013.

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

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

2. Guiding Principle

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

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

3. Policy relating to the remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.1. General:

- a) The remuneration package of KMP will be determined by the Committee and recommended to Board for approval. In addition, the approval of the shareholders of the Company and Central Government, wherever required, will be obtained for the remuneration package of Executive Directors. The remuneration package of other senior management personnel will be recommended by Chairman & Managing Director and submitted to Committee for approval.
- b) The remuneration package of Executive Directors shall be in accordance with the percentage / slabs / conditions laid down in the Act.
- c) Increments to the existing remuneration package of Executive Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.

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

4. Remuneration to Executive Directors KMP and Senior Management Personnel

4.1 Pay and Allowances:

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



as contribution to Provident Fund, Gratuity, group life insurance, group medical insurance etc.

4.2 Minimum Remuneration:

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

4.3 Provisions for excess remuneration:

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

5. Remuneration to Independent Directors

5.1. Remuneration/Commission:

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

a) Sitting Fees:

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

b) Commission:

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

per the applicable provisions of the Act.

c) Stock Options:

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

d) Expenses for attending meetings

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

6. Disclosure of information

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

7. Application of the Remuneration Policy

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

8. Performance evaluation criteria for Independent Directors:

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

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

The Company has not paid any amount as sitting fees for attending Board meetings of the Company during the financial year ended on March 31, 2021.



b. Disclosure with respect to remuneration:

No other element of remuneration package is paid to the Non-Executive Directors.

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

Two (2) meetings of the committee were held throughout the year. The dates being 29.07.2020 and 29.01.2021 which were attended by all committee members.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 The Nomination & Remuneration Committee as on 31 March 2021, comprised following three (3) Non-Executive Directors:

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

8. Internal Financial Control Systems and their Adequacy:

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis and which forms a part of this report.

9. Audit Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements), 2015. The Audit Committee as on 31 March 2021, comprised following four (4) Non-Executive Directors, (1) one Managing Director and one (1) Whole-time Director

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



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

- i) acting as a catalyst, in helping the organization achieve its objectives
- ii) The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.
- iii) The Audit Committee also reviews Management letters and the responses thereto by the Management. During the year under review.
- iv) The Audit Committee held five (5) Meetings, the dates of the meetings being 30 July 2020, 31 August 2020, 13 November 2020, 30 January 2021 and 12 February, 2021.

Chief Financial Officer, Internal Auditors, Statutory Auditors and other Executives as considered appropriate, also attended the Audit Committee Meetings.

Internal Audit and Control: M/s. V.R.K.S.S.Prasad & Associates, Chartered Accountants, are the Internal Auditors of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the Internal Auditor and the internal control system are periodically reviewed by the Audit Committee.

All members of Audit Committee are financially literate and have accounting and related financial management expertise.

All the recommendations made by the Committees of Board including the Audit Committee were accepted and approved by the Board.

10. Stakeholders Relationship Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 The Stakeholders Relationship Committee as on 31 March 2021, comprised following three (3) Directors: 3 (Three) meetings were held throughout the year on 29.06.2019, 28.09.2019, 31.12.2019.

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



11. The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year:

The Company has not developed and implemented any Corporate Social Responsibility policy and initiatives, as the said provisions are not applicable to the Company.

12. A statement on declaration given by independent directors under Sub-Section (6) of Section 149:

The provisions of Section 149(6) relating to Independent Directors has been complied with.

13. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and date of the report.

The Company has Sold Kakinada land owned by the company to M/s. Vishnu Allied Services Limited on 31.01.2021. The sale value is Rs. 5.14 crores and the profit arising out of such sale is Rs. 1.86 crores which has been classified under "Other Income" in the Profit & Loss Account Statement for the FY 20-21.

14. Risk Management:

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

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

The particulars of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder are provided in Note No.5.1 and 8.4 Financial Statements.

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

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

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

There was no change in the nature of Business.

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

During the period under review, there were the following changes in the Board of Directors and Key Managerial personnel.

Name of the Director / KMP	Des.	Date	Change
K. Aditya Vissam	MD	01.08.2020	Appointment
B. Rajasekhar	CFO	30.07.2020	Resignation
D. Venu Gopal	CFO	01.02.2021	Appointment



During the period under review, there were the Further the following changes have occurred after the closure of financial year:

R K Pooja, Company Secretary has resigned w.e.f. 30.06.2021 and Mr. Mohammed Ibrahim Pasha, appointed as company secretary and compliance officer w.e.f 01.07.2021.

The board hereby proposes ratification of appointment and reappointment of Mr. Haribabu Kolluri and Mr. P S Ranganath as Non-executive Director under Independent capacity for the remaining period of their tenure of ten years which will expire on 28th May, 2024 and 25th May, 2026 respectively subject to the approval of members at ensuing AGM.

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

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

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

Not Applicable.

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

Not Applicable.

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

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

23. Particulars of Employees:

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

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

Non Executive Directors	Ratio to median remuneration
K.V.Vishnu Raju	Nil
S.V.S.Shetty	Nil
K.Hari Babu	Nil
P.S.Raju	Nil
K. Anuradha	Nil
P.Ranganath	Nil

Executive Directors	Ratio to median remuneration
Ravichandran Rajagopal	0.45:1
Kalidindi Aditya Vissam	0.55:1

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

Director, Chief Financial Officer, Company Secretary	% of increase in remuneration in the financial year
Kalidindi Aditya Vissam Managing Director	Nil
Ravichandran Rajagopal Whole Time Director	Nil
R.K.Pooja Company Secretary	Nil



- c. **Percentage increase in median remuneration of employees in the financial year : NIL**
- d. **The number of permanent employees on the rolls of the company: 118**
- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Remuneration in FY 19-20 (Rs. Crores)

R.Ravichandran	K.Aditya Vissam	R.K.Pooja
0.25	0.20	0.07

Revenue (Rs. Crores)

R.Ravichandran	K.Aditya Vissam	R.K.Pooja
31.28	31.28	31.28

Remuneration as % of Revenue

R.Ravichandran	K.Aditya Vissam	R.K.Pooja
0.008	0.006	0.002

Profit before tax (PBT) (Rs. Crores)

R.Ravichandran	K.Aditya Vissam	R.K.Pooja
3.00	3.00	3.00

Remuneration (as % of PBT)

R.Ravichandran	K.Aditya Vissam	R.K.Pooja
0.08	0.06	0.02

- f. **Affirmation that the remuneration is as per the remuneration policy of the company:**

The Company affirms remuneration is as per the Remuneration policy of the company.

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

The Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of in line with the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under. The Policy aims to provide protection to employees and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has formed the Internal Complaints Committee and the members have been emphasized on the roles and responsibilities. The Internal Complaints Committee as on 31 March 2021, comprised following three (3) members:

Name	Positions held in the committee	Designation in the company
K.Anuradha Raju	Chairperson/ Presiding Officer	Woman Director
R.K.Pooja	Member	Company Secretary
E.Lakshmana	Member	HR Manager

25. Disclosure Requirements:

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

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

26. Auditors:

Pursuant to the provision of section 139 of the act and the rules framed there under, M/s. M. Anandam & Co., Chartered Accountants, Hyderabad (Firm Registration No. 000125S), were



appointed as Statutory Auditors from the conclusion of 33rd Annual General Meeting held on 28.12.2017 for a period of 5 years.

27. Reporting of Frauds by Auditors:

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

28. Secretarial Auditors' Report:

In pursuance of Section 204 of the Companies Act, 2013 Read with Rules made there under, the Board has appointed M/s D. Hanumanta Raju & Co. Practicing Company Secretaries as Secretarial Auditor of the company to carry out the Secretarial Audit for the financial year 2020-21 and the report of the secretarial auditor is annexed to this report.

29. Clarifications on Auditors Comments in Auditors Report:

There were no adverse remarks made by statutory auditors in their report. Further the following are the explanations to the observations made by the secretarial auditor in their report.

Observations

The Company had to submit the shareholding pattern for the quarter ended 31.03.2020 by 15.05.2020 as required under regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 but the same was submitted on 20.05.2020.

The Company did not file the annual disclosure as required under regulation 30(1) and 30(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the year ended on 31.03.2020.

The Company has closed trading window under regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B for general public also along with designated persons from 24.07.2020 to 01.08.2020 for declaration of financial results for the period ended 31.03.2020.

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

Company's Remarks

Due to technical reasons the company could not submit the same within the prescribed time limit. However the same will be avoided in future and will be filed in time.

Due to technical reasons the company could not submit the same within the prescribed time limit. However the same will be avoided in future and will be filed in time.

Due to clerical error it was mentioned as general public. Later on, we have also submitted the clarification letter to BSE, stating that the same was mentioned erroneously and the trading window was not closed for the general public.

The company is in the process of getting the shares of the promoters and promoters' group into dematerialized form.

30. Annual Return web link:

The web link to the Annual Return in form MGT-7 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is <https://www.anjanifoods.in/>



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

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

A. Conservation of energy	NIL
B. Technology absorption	NIL
C. Foreign exchange earnings	NIL
D. Foreign exchange outgo	NIL

32. Impact of Covid-19 Pandemic

The COVID-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of lockdown that started on May 05, 2021. The Government had ordered temporarily closure of all non-essential businesses, imposed restrictions on movement of goods/ material, travel etc. but provision of essential commodities was allowed subject to adhering of protocol and safety measures issued by the Ministry of Health & Family Welfare. Hence, Company had its operations as per government restrictions through its retail outlets in the state of AP & Telangana from May 05, 2021 in order to control the community transmission/spread of Covid-19 pandemic. The distribution channel of the company was operational throughout as the company falls under the category of “Essential Commodities Supplier”.

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

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

33. Future Plan of Action:

1. The company has invested close to Rs. 10 crores in setting up a new unit in Modavalasa (Vizag) and commenced its commercial production in FY 2020-21. The new unit equips automated facility for generating volumes of production. The growing demand of bakery products in the region has pushed the management to expand the manufacturing facility which will cater to the markets in and around the region.
2. A centralized kitchen setup has also been established in Hyderabad along with cold chain storage facility which allows to stock up the voluminous production that can be delivered just-in-time as per the requirements.

34. Maintenance of Cost Records:

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

35. Acknowledgement:

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. The Directors also thank the Government of India, the Concerned State Governments, Government departments and Governmental Agencies for their co-operation.

On behalf of Board of Directors

Place: Hyderabad
Date: 31-08-2021

K.Aditya Vissam
Managing Director
(DIN: 06791393)

R.Ravichandran
Whole time Director
(DIN: 00110930)



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (b) Duration of the contracts / arrangements/transactions:
- (c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (d) Justification for entering into such contracts or arrangements or transactions:
- (e) Date(s) of approval by the Board:
- (f) Amount paid as advances, if any:
- (g) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

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

RELATED PARTY 1

- (a) Name(s) of the related party and nature of relationship: **Senta Foodwork Private Limited**
- (b) Nature of contracts/ arrangements/ transactions : **Advance for Working Capital**
- (c) Duration of the contracts / arrangements/ transactions: **Continuous**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Interest @ 11% is charged on the amount advanced**
- (e) Date(s) of approval by the Board, if any: **26.12.2019**
- (f) Amount paid as advances, if any: **Rs. 2.51 Crores**

RELATED PARTY 2

- (g) Name(s) of the related party and nature of relationship: **Vishnu Allied Services Limited**
- (h) Nature of contracts/arrangements/transactions: **Advance received against sale of land**
- (i) Duration of the contracts / arrangements/transactions: **Continuous**
- (j) Salient terms of the contracts or arrangements or transactions including the value, if any: **Company owned land in Kakinada was sold to M/s. Vishnu Allied Services Limited on 31.01.2021**
- (k) Date(s) of approval by the Board, if any: **26.12.2019**
- (l) Amount paid/received as advances, if any: **Rs. 5.15 Crores**

For and on behalf of Board of Anjani Foods Limited

Place: Hyderabad
Date: 31.08.2021

R.Ravichandran
Whole time Director
(DIN 00110930)

K.Aditya Vissam
Managing Director
(DIN 06791393)



Management Discussion and Analysis Report

We submit hereunder Management Discussion and Analysis Report on the business of the company as applicable to the extent relevant. Your Company has explored its activities by taking up activities like Bakery and retailing in order to meet competitive market situation.

Industry Structure and Development

Your Company is among the most trusted food brands with a wide and growing portfolio of products in food segment covering Biscuits, Bread & Buns, Cakes & Pastries, Rusks and other such items etc.

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

Segment Information

The Primary Business segment of your Company is food.

food



Opportunities, Risks, Concerns Threats & Outlook

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

Internal Control Systems & Adequacy

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

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



Financial and Operational Performance

Particulars	31 st Mar 2021	31 st Mar 2020
Total income	3,128.38	2,779.71
Operating profit before interest, depreciation and tax	413.50	151.21
Interest and financial charges	37.27	37.05
Depreciation	75.92	65.21
Profit before taxation	300.31	48.95
Provisions for taxation	-0.55	0.59
Profit / (Loss) after taxation	300.86	48.36
Transfer to General Reserves	-	-
Provision for dividend	-	-
Provision for dividend tax	-	-
Other Comprehensive Income	5.55	18.49
Balance carried to Balance Sheet	306.40	66.85

All amounts in ₹ lakhs, unless otherwise stated

Human Resources, Industry Development Relations

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



Senior Management Disclosures

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

Cautionary Statement

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

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

Not Applicable in this year.

For and on behalf of Board of Anjani Foods Limited

R.Ravichandran
Whole time Director
(DIN 00110930)

K. Aditya Vissam
Managing Director
(DIN 06791393)

Place: Hyderabad
Date: 31.08.2021



Secretarial Audit Report

for the Financial Year
ended 31.03.2021

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

To,
The Members,
ANJANI FOODS LIMITED
VISHNUPURDURGAPUR,
GARAGAPARRU ROAD, BHIMAVARAM,
ANDHRA PRADESH 534 202.

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the period of audit)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)



- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the period of audit);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period of audit); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the period of audit);
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) Other laws applicable specifically to the Company include:

- a) Food Safety and Standards Act, 2006 and the rules made there under.
- b) The Legal Metrology Act, 2009 and the rules made there under.
- c) Agricultural Produce (Grading and Marking) Act, 1937 and the rules made there under.
- d) Legal Metrology Act 2009 read with Legal Metrology (Packaged Commodities) Rules 2011
- e) Bureau of Indian Standards (BIS) Act, 1986;

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

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

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

The Company had to submit the shareholding pattern for the quarter ended 31.03.2020 by 15.05.2020 as required under regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 but the same was submitted on 20.05.2020.

The Company did not file the annual disclosure as required under regulation 30(1) and 30(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)



Regulations, 2011 for the year ended on 31.03.2020.

The Company has closed trading window under regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B for general public also along with designated persons from 24.07.2020 to 01.08.2020 for declaration of financial results for the period ended 31.03.2020.

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

We further report that

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

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

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

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

Place: Hyderabad
Date: 31.08.2021

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS SHAIK RAZIA

PARTNER

FCS: 7122, CP NO: 7824

UDIN: F007122C000864627



Annexure A

To,
The Members,
ANJANI FOODS LIMITED
VISHNUPURDURGAPUR,
GARAGAPARRU ROAD, BHIMAVARAM,
ANDHRA PRADESH 534 202.

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

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

Place: Hyderabad
Date: 31.08.2021

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA

PARTNER

FCS: 7122, CP NO: 7824

UDIN: F007122C000864627



Independent Auditor's Report

To the Members of Anjani Foods Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Anjani Foods Limited, which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

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

Basis for Opinion

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

Key Audit Matters

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



Key Audit Matter

Revenue Recognition

Revenue from the sale of goods (hereinafter referred to as “Revenue”) is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the control over goods is transferred to the customers, which is mainly upon delivery.

The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before the control over goods is transferred.

Refer Note 2 to the financial statements - Significant Accounting Policies.

Auditor’s Response

Principal Audit Procedures

Our audit approach was a combination of tests of internal controls and substantive procedures including:

- a. Assessing the appropriateness of Company’s revenue recognition in line with Ind AS 115 - Revenue from Contracts with Customers.
- b. Evaluating the design and implementation of Company’s controls in respect of revenue recognition.
- c. Testing the effectiveness of such controls over revenue cut off at the year end.
- d. Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.

Other Information

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

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

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 2.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a



director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The Company has not transferred Rs. 0.67 Lakh, which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 000125S

M.R.Vikram
Partner
Membership Number: 021012
UDIN: 21021012AAAABR1641

Place: Hyderabad
Date: 30-06-2021



Annexure “A” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial reporting of Anjani Foods Limited as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 000125S

M.R.Vikram
Partner
Membership Number: 021012
UDIN: 21021012AAAABR1641

Place: Hyderabad
Date: 30-06-2021



Annexure “B” to the Independent Auditor’s Report

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The company has granted unsecured loans to one party covered in the register maintained under section 189 of the Act.
 - a) In our opinion and according to the information given to us, the term and conditions of the loan given by the Company are prima facie, not prejudicial to the interest of the Company.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and / or receipts of interest have been regular.
 - c) There are no overdue amount as at the year-end in respect of both principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security given, wherever applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) According to the information and explanations given to us, in respect of the Company, Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii)
 - (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, customs duty, goods and services tax cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, Customs duty, or cess, which have not been deposited on account of their being disputed by the company, as at 31st March, 2021.



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

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 000125S

M.R.Vikram
Partner
Membership Number: 021012
UDIN: 21021012AAAABR1641

Place: Hyderabad
Date: 30-06-2021



FINANCIALS



Balance Sheet

as at
31st March 2021

	Particulars	Note	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
I. ASSETS	Non-current Assets			
	(a) Property, plant and equipment	4.1	1,921.00	1,399.49
	(b) Capital work-in-progress		-	500.42
	(c) Goodwill		115.69	115.69
	(d) Other Intangible assets	4.2	5.64	2.92
	(e) Financial assets			
	(i) Investments	5.1	0.50	0.50
	(ii) Other financial assets	5.2	24.15	23.26
	(f) Other non Current assets	6.0	36.66	15.61
	Current Assets			
	(a) Inventories	7.0	365.38	309.95
	(b) Financial assets			
	(i) Trade receivables	8.1	67.25	56.53
	(ii) Cash and cash equivalents	8.2	54.42	52.45
	(iii) Bank balances other than (ii) above	8.3	0.76	0.66
	(iv) Loans	8.4	261.84	231.83
	(v) Other financial assets	8.5	164.06	18.05
(c) Current tax assets (net)	9.0	18.53	4.99	
(d) Other current assets	10.0	39.86	23.12	
TOTAL ASSETS			3,075.74	2,755.47
II. EQUITY AND LIABILITIES	Equity			
	(a) Equity share capital	11.0	558.98	558.98
	(b) Other equity	12.0	672.06	365.65
	Liabilities			
	Non-Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	13.1	374.34	173.02
	(ii) Other financial liabilities	13.2	0.62	0.62
	(b) Provisions	14.0	35.76	64.59
	(c) Deferred tax liabilities (net)	15.0	17.65	16.76
	(d) Other non-current liabilities	16.0	593.21	894.81
	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17.1	178.14	202.41
	(ii) Trade payables	17.2	-	-
	A. Dues to micro and small enterprises		2.66	3.03
	B. Dues to creditors other than micro and small enterprises		381.56	290.41
(iii) Other financial liabilities	17.3	235.11	161.54	
(b) Other current liabilities	18.0	17.00	15.17	
(c) Provisions	14.0	8.65	8.47	
TOTAL EQUITY AND LIABILITIES			3,075.74	2,755.47

All amounts in ₹ lakhs, unless otherwise stated

Summary of significant accounting policies 2

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

As per our report of even date

On behalf of Board of Directors

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 0001255

K. Aditya Vissam
Managing Director
(DIN: 06791393)

R.Ravichandran
Whole time Director
(DIN: 00110930)

M.R.Vikram
Partner
Membership Number: 021012

D.Venugopal
Chief Financial Officer
(PAN: AZGPD0487P)

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

Place: Hyderabad
Date: 30-06-2021



Statement of Profit and Loss

for the year ended 31st March 2021

Particulars	Note	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
I. Revenue from operations	19.0	2,909.56	2,754.47
II. Other income	20.0	218.82	25.24
III. Total revenue (I + II)		3,128.38	2,779.71
IV. Expenses			
Cost of materials consumed	21.0	1,260.56	1,262.59
Purchases of stock-in-trade		117.46	155.28
Changes in inventories of finished goods and Stock-in-Trade	22.0	(7.35)	12.39
Employee benefits expense	23.0	449.00	458.53
Finance costs	24.0	37.27	37.05
Depreciation and amortization expense	25.0	75.92	65.21
Other expenses	26.0	895.21	739.72
Total expenses		2,828.07	2,730.76
V. Profit before tax (III - IV)		300.31	48.95
VI. Tax expense:			
(1) Current tax including Earlier year Taxes	27.0	0.51	9.91
(2) Deferred tax	15.0	(1.06)	(9.32)
VII. Profit for the year (V-VI)		300.86	48.36
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
a) Remeasurement of defined employee benefit plans		7.49	24.99
b) Income tax relating to item (a) above		1.95	6.50
Other comprehensive income (net of tax)		5.55	18.49
IX. Total comprehensive income for the year		306.41	66.85
X. Earning per equity share	34.0		
(1) Basic		5.38	0.87
(2) Diluted		5.38	0.87

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

As per our report of even date

On behalf of Board of Directors

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 000125S

K. Aditya Vissam
Managing Director
(DIN: 06791393)

R.Ravichandran
Whole time Director
(DIN: 00110930)

M.R.Vikram
Partner
Membership Number: 021012

D.Venugopal
Chief Financial Officer
(PAN: AZGPD0487P)

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

Place: Hyderabad
Date: 30-06-2021



Cash Flow Statement

for the year ended 31st March 2021

All amounts in ₹ lakhs, unless otherwise stated

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
Cash flow from operating activities		
Profit before tax	300.31	48.95
Adjustments for:		
Depreciation and amortisation expense	75.92	65.21
Gain on disposal of property, plant and equipment	(186.52)	-
Interest income	(27.18)	(24.20)
Finance costs	37.27	37.05
Bad debts writtenoff	0.38	-
Creditors written back	(3.14)	-
Remeasurement of defined employee benefit plans	7.49	24.99
Change in operating assets and liabilities		
(Increase) in Trade Receivables	(11.11)	(3.52)
(Increase) in financial assets other than trade receivables	(177.00)	(25.80)
(Increase) in other assets	(37.79)	(17.05)
(Increase) in Current Tax assets	(12.89)	(1.78)
(Increase)/Decrease in Inventories	(55.43)	9.49
Increase in Trade Payables	93.91	30.89
Increase in other financial liabilities	73.57	66.52
(Decrease) in provisions	(28.64)	(15.05)
(Decrease)/Increase in other liabilities	(299.77)	377.76
Cash generated from operations	(250.63)	573.45
Direct taxes paid	(1.16)	(1.85)
Net cash (used in)/from operating activities	(251.79)	571.60
Cash flows from investing activities		
Purchase of property plant and equipment	(928.22)	(54.98)
Decrease/(Increase) in Capital Work in Progress	500.42	(418.32)
Interest received	27.18	24.20
Proceeds from sale of property, plant and equipment	514.59	-
Net cash from/(used in) investing activities	113.97	(449.11)
Cash flow from financing activities		
Proceeds/ (repayment) from non-current borrowings(net)	201.32	(96.53)
(Repayment)/Proceeds from current borrowings	(24.27)	17.86
Proceeds from issue of capital	-	1.20
Finance cost	(37.27)	(37.05)
Net cash from/(used in) investing activities	139.79	(114.52)
Net increase in cash and cash equivalents	1.98	7.98
Cash and Cash equivalents at the beginning of the Year	52.45	44.47
Cash and Cash equivalents at the end of the Year	54.43	52.45

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

Notes: 1. Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 'Statement of Cash Flows'.

As per our report of even date

On behalf of Board of Directors

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 000125S

M.R.Vikram
Partner
Membership Number: 021012

K. Aditya Vissam
Managing Director
(DIN: 06791393)

R.Ravichandran
Whole time Director
(DIN: 00110930)

D.Venugopal
Chief Financial Officer
(PAN: AZGPD0487P)

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

Place: Hyderabad
Date: 30-06-2021



Statement of Changes in Equity

for the year ended 31st March 2021

a. Equity share capital

Particulars	Note	As at 31 st Mar 2021	As at 31 st Mar 2020
Balance at the beginning of the year	11	55.90	55.78
Add: Changes in equity share capital during the year		-	0.12
Balance at the end of the Year		55.90	55.90

b. Other equity

Particulars	Note	Reserves and Surplus			Total
		Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 31 March, 2019	12	22.13	69.30	207.38	298.80
Profit/(Loss) for the year		-	-	48.36	48.36
Other comprehensive income		-	-	18.49	18.49
Balance as at 31 March, 2020		22.13	69.30	274.23	365.65
Profit/(Loss) for the year		-	-	300.86	300.86
Other comprehensive income		-	-	5.55	5.55
Balance as at 31 March, 2021		22.13	69.30	580.63	672.06

Summary of significant accounting policies

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

As per our report of even date

For **M.Anandam & Co.**,
Chartered Accountants
Firm Registration Number: 0001255

M.R.Vikram
Partner
Membership Number: 021012

Place: Hyderabad
Date: 30-06-2021

On behalf of Board of Directors

K.Aditya Vissam
Managing Director
(DIN: 06791393)

D.Venugopal
Chief Financial Officer
(PAN: AZGPD0487P)

R.Ravichandran
Whole time Director
(DIN: 00110930)

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



Notes to the financial statements

for the year ended 31st March 2021

Company Information

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

Significant Accounting Policies

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

a) Statement of Compliance

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

b) Basis of preparation

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

c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future

economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

- a) **Sale of products** : Timing of recognition - Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale.
Measurement of revenue - Revenue from sales is based on the price specified in the sales, net of all discounts and returns at the time of sale.
- b) Dividend income is recognized when right to receive payment is established.
- c) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

d) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting



purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e) Financial Instruments

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

Financial Assets

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at

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

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

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

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

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

(iv) The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance



sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Derecognition of financial instruments

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

Fair value of financial instruments

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

Offsetting financial instruments

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

f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Trade receivables

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

h) Inventories

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

i) Property, plant and equipment

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

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

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal are determined by comparing proceeds with carrying amount.



j) Intangible assets

(i) Recognition

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

(ii) Amortization methods and periods

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

k) Impairment of assets

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

l) Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid,

including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

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

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

m) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

n) Provisions, Contingent liabilities and Contingent assets

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

Provisions are measured at the present value of



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

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

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

o) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the

balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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



(iv) Bonus plans

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

p) Contributed equity

Equity shares are classified as equity.

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

q) Earning per share

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

r) Dividend distribution:

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

s) Segment Reporting - Identification of Segments

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

t) Rounding of amounts

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

u) Standards issued but not yet effective

There is no such notification which would have been applicable from April 1, 2021

Critical estimates and Judgements

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

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

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





4.1(a) Property, Plant and Equipment

Particulars	Gross carrying amount			Accumulated depreciation				Net carrying amount
	As at 1 st Apr 2020	Additions	Deletions	As at 31 st Mar 2021	As at 1 st Apr 2020	For the year	On disposals/ Adjustments	
Land	471.82	-	129.73	342.09	-	-	-	342.09
Factory Building	335.03	320.89	-	655.91	42.46	14.13	-	599.32
Non Factory Buildings	119.96	198.34	198.34	119.96	5.30	1.97	-	112.69
Machinery Equipment	552.85	375.52	-	928.36	107.72	39.46	-	781.18
Furniture and Fixtures	85.04	7.19	-	92.23	41.22	7.52	-	43.49
Motor Vehicles	35.13	5.27	-	40.40	16.12	4.93	-	19.35
Computers	16.94	6.98	-	23.92	12.71	2.47	-	8.74
Office Equipment	19.67	10.42	-	30.09	11.40	4.55	-	14.14
TOTAL	1,636.43	924.60	328.07	2,232.96	236.94	75.02	-	1,921.00

4.2(a) Intangible assets

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 1 st Apr 2020	Additions	Deletions	As at 31 st Dec 2020	As at 1 st Apr 2020	For 12 months		On disposals/ Adjustments
Computer Software	4.63	3.62	-	8.25	1.71	0.90	-	5.64
TOTAL	4.63	3.62	-	8.25	1.71	0.90	-	5.64

4.1(b) Property, Plant and Equipment

Particulars	Gross carrying amount			Accumulated depreciation				Net carrying amount
	As at 1 st Apr 2019	Additions	Deletions	As at 31 st Mar 2020	As at 1 st Apr 2019	For the year	On disposals/ Adjustments	
Land	471.82	-	-	471.82	-	-	-	471.82
Factory Building	335.03	-	-	335.03	30.74	11.73	-	292.57
Non Factory Buildings	119.96	-	-	119.96	3.17	2.12	-	114.66
Machinery Equipment	514.69	38.15	-	552.85	74.73	33.00	-	445.12
Furniture and Fixtures	73.40	11.64	-	85.04	34.20	7.03	-	43.82
Motor Vehicles	33.60	1.53	-	35.13	10.78	5.34	-	19.01
Computers	14.54	2.40	-	16.94	11.28	1.44	-	4.23
Office Equipment	18.40	1.26	-	19.67	7.72	3.68	-	8.27
TOTAL	1,581.45	54.98	-	1,636.43	172.61	64.33	-	1,399.49

for the year ended 31st March 2021

4.2(b) Intangible assets

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount
	As at 1 st Apr 2020	Additions	Deletions	As at 31 st Dec 2020	For 12 months	On disposals/ Adjustments	
Computer Software	4.63	-	-	4.63	0.88	-	2.92
TOTAL	4.63	-	-	4.63	0.88	-	2.92



Notes to the Financial Statements

for the year ended 31st March 2021

5.1. Investments

Particulars	31 st Mar 2021	31 st Mar 2020
Investments in Equity Instruments (quoted - traded - fully paid up)		
Fair value through profit and loss (FVTPL)		
M/s. Regency Ceramics Limited 100 (Previous Year 100) equity shares of Rs.10/- each (Fully Impaired)	0.00	0.00
Investments in Equity Instruments (quoted - non traded - fully paid up)		
M/s. Andhra Pradesh Steels Limited 10,200 (Previous Year 10,200) equity shares of Rs.10/- each (Fully Impaired)	0.00	0.00
M/s. Sparteck Ceramics Limited 50 (Previous Year 50) equity shares of Rs.10/- each (Fully Impaired)	0.00	0.00
Investments in Mutual Funds (quoted - non traded - fully paid up)		
Fair value through profit and loss (FVTPL)		
- In Morgan Stanely 5000 (Previous Year 5000) units of Rs.10/- each	0.50	0.50
TOTAL	0.50	0.50
Aggregate amount of quoted investments	0.50	0.50
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

5.2. Other financial assets (non - current)

Particulars	31 st Mar 2021	31 st Mar 2020
Security Deposits	23.47	22.63
Deposits with banks against guarantees	0.68	0.63
TOTAL	24.15	23.26

6. Other non Current assets

Particulars	31 st Mar 2021	31 st Mar 2020
Capital Advances	36.66	15.61
TOTAL	36.66	15.61

7. Inventories

Particulars	31 st Mar 2021	31 st Mar 2020
a) Raw materials	287.20	239.11
b) Stock in Trade	21.34	20.79
c) Finished goods	56.84	50.05
TOTAL	365.38	309.95

8.1. Trade receivables

Particulars	31 st Mar 2021	31 st Mar 2020
Unsecured, considered good	67.56	56.65
Less: Allowance for expected credit loss	0.31	0.12
TOTAL	67.25	56.53

8.2. Cash and cash equivalents

Particulars	31 st Mar 2021	31 st Mar 2020
a) Balances with banks in current accounts	47.13	45.46
b) Cash on hand	7.29	6.99
TOTAL	54.42	52.45

8.3. Other bank balances

Particulars	31 st Mar 2021	31 st Mar 2020
Earmarked balances with banks in Dividend Accounts	0.66	0.66
Fixed deposits	0.10	-
TOTAL	0.76	0.66

8.4. Loans (current)

Particulars	31 st Mar 2021	31 st Mar 2020
Unsecured, considered good		
Inter-corporate deposits*	261.84	231.83
TOTAL	261.84	231.83

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



8.5. Other financial assets (current)

Particulars	31 st Mar 2021	31 st Mar 2020
Employee advances	11.61	14.70
Rent Receivable	3.36	3.36
Receivable against sale of property	149.09	-
TOTAL	164.06	18.05

9. Current tax assets (net)

Particulars	31 st Mar 2021	31 st Mar 2020
Advance Tax net of provision	18.53	4.99
TOTAL	18.53	4.99

10. Other current assets

Particulars	31 st Mar 2021	31 st Mar 2020
Rent and Other deposits	17.32	9.50
Prepaid expenses	12.49	5.80
Supplier Advances	7.80	7.27
Other Advances	2.25	0.54
TOTAL	39.86	23.12

11. Equity share capital

Particulars	31 st Mar 2021	31 st Mar 2020
AUTHORIZED: 80,00,000 (P.Y. 80,00,000) equity shares of ₹ 10/- each	800	800
TOTAL	800	800

Particulars	31 st Mar 2021	31 st Mar 2020
ISSUED, SUBSCRIBED & PAID-UP 55,89,780 (P.Y. 55,89,780) equity shares of ₹ 10/- each fully paid up	558.98	558.98
TOTAL	558.98	558.98

(A) Movement in equity share capital

Particulars	Number of shares	Amount
Balance at March 31, 2019	55.90	558.98
Movement during the year	-	-
Balance at March 31, 2020	55.90	558.98
Movement during the year	-	-
Balance at March 31, 2021	55.90	558.98

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

K.V. Vishnu Raju			
31 st Mar 2021		31 st Mar 2020	
No. of Shares	% holding	No. of Shares	% holding
22.78	41.65%	22.78	41.65%

Vanitha Datla			
31 st Mar 2021		31 st Mar 2020	
No. of Shares	% holding	No. of Shares	% holding
3.19	5.84%	3.19	5.84%

K. Anuradha Raju			
31 st Mar 2021		31 st Mar 2020	
No. of Shares	% holding	No. of Shares	% holding
4.52	8.27%	4.52	8.27%

(C) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12. Other equity

Particulars	31 st Mar 2021	31 st Mar 2020
Reserves and surplus		
Securities premium	22.13	22.13
General reserve	69.30	69.30
Retained earnings	580.63	274.23
TOTAL	672.06	365.65



(i) Securities Premium Reserve

Particulars	31 st Mar 2021	31 st Mar 2020
Opening balance	22.13	22.13
Movement during the year	-	-
Closing balance	22.13	22.13

(ii) General Reserve

Particulars	31 st Mar 2021	31 st Mar 2020
Opening balance	69.30	69.30
Movement during the year	-	-
Closing balance	69.30	69.30

(iii) Retained earnings

Particulars	31 st Mar 2021	31 st Mar 2020
Opening balance	274.23	207.38
Add: Profit for the year	300.86	48.36
Add : Remeasurements of post employment benefit obligation, net of tax (OCI)	5.55	18.49
Closing balance	580.63	274.23

Nature and purpose of other reserves

(i) Securities Premium

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

(ii) General Reserve

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

(iii) Retained earnings

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

13.1. Borrowings

Particulars	31 st Mar 2021	31 st Mar 2020
Non- current		
a) Secured loans		
Term loans from banks	274.56	73.24
b) Unsecured loans		
Unsecured Loans from related parties	99.78	99.78
TOTAL	374.34	173.02

a) Secured loans

Term loans from banks represent loans from M/s. Indian Bank, Visakhapatnam Branch for Rs 120 lakhs and Rs 250 lakhs which are secured by pari-passu basis by the primary hypothecation of Stocks & Book Debts, Plant & machinery & Furniture Fixtures and secondary charge by way of hypothecation on factory land and buildings and Personal Guarantee of Directors. The loan carries floating rate of interest and interest rate as on 31.03.2021 is 10.20%.

Repayment Schedule

Year	Rs. In Lakh
FY 2021-22	93.92
FY 2022-23	93.92
FY 2023-24	93.92
FY 2024-25	51.24
FY 2025-26	35.48

13.2. Other financial liabilities (non-current)

Particulars	31 st Mar 2021	31 st Mar 2020
Unpaid Dividend	0.62	0.62
TOTAL	0.62	0.62

14. Provisions

Particulars	31 st Mar 2021	31 st Mar 2020
Non- current		
Provision for employee benefits		
- Gratuity	35.76	64.59
TOTAL	35.76	64.59
Current		
- Leave encashment	-	0.29
- Gratuity	8.65	8.18
TOTAL	8.65	8.47

15. Deferred tax liabilities (net)

Particulars	31 st Mar 2021	31 st Mar 2020
a) Deferred tax assets (Arising on account of timing difference)		
(a) Employee Benefits	11.00	18.99
(b) Carry forward Income Tax losses	38.88	48.44
(c) Expected Credit Loss	-	0.03
Total Deferred Tax Assets (A)	49.88	67.46
b) Deferred tax liabilities (Arising on account of timing difference)		
Depreciation and amortisation	67.53	84.22
Total Deferred Tax Liabilities (B)	67.53	84.22
Deferred tax liabilities (net) (A-B)	17.65	16.76

Movement in deferred tax liabilities (net)

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 31 March, 2020 (Charged)/ Credited	84.22	(67.46)	16.76
to statement of profit and loss	(1.06)	-	(1.06)
to other comprehensive income	-	0.00	0.00
As at 31 March, 2021	83.16	(67.46)	15.70

16. Other non-current liabilities

Particulars	31 st Mar 2021	31 st Mar 2020
Advance Received against sale of assets	593.21	894.81
TOTAL	593.21	894.81

17.1. Borrowings

Particulars	31 st Mar 2021	31 st Mar 2020
Current Loans repayable on demand		
Secured loans		
Working capital loans from banks	178.14	202.41
TOTAL	178.14	202.41

The company has taken working capital loans from Indian Bank which are secured on pari-passu basis by hypothecation of the Company's raw materials, finished goods and book debts, present and future and second charge by way of hypothecation on factory land and building and Personal Guarantee of Directors. The loan carries floating rate of interest and interest rate as 31.03.2021 is 10.20% for OCC and 13.40% for Adhoc Limit.

17.2. Trade payables

Particulars	31 st Mar 2021	31 st Mar 2020
Dues to micro enterprises and small enterprises (Refer Note below)	2.66	3.03
Dues to creditors other than micro enterprises and small enterprises	381.56	290.41
Total	384.22	293.45

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

Particulars	31 st Mar 2021	31 st Mar 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.66	2.93
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.15	0.11
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	9.26	5.19
(iv) The amount of interest due and payable for the year	0.49	0.13
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.15	0.11
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.06	0.12

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



17.3. Other financial liabilities (current)

Particulars	31 st Mar 2021	31 st Mar 2020
Current maturities of Long Term Debt	93.92	24.00
Employee benefits payable	43.81	44.53
Expenses payable	42.37	30.38
Sundry deposits*	-	1.00
Bonus payable	7.15	6.54
Capital Creditors	47.86	55.10
TOTAL	235.11	161.54

*Sundry deposits include security deposits from Distribution agents.

18. Other current liabilities

Particulars	31 st Mar 2021	31 st Mar 2020
Statutory liabilities	17.00	15.17
	-	-
TOTAL	17.00	15.17

Notes to the Profit & Loss

for the year ended 31st March 2021

19. Revenue from operations

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Sale of products	2,909.56	2,754.47
TOTAL	2,909.56	2,754.47

20. Other income

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Interest income	27.18	24.20
Profit on sales of PPE	186.52	-
Miscellaneous income	0.71	1.05
Creditors written back	3.14	-
Insurance Claim	1.26	-
TOTAL	218.82	25.24

21. Cost of materials consumed

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Opening Stock Raw Materials	239.11	236.21
Current Year Purchases	1,308.65	1,265.49
Closing Stock of Raw Materials	287.20	239.11
TOTAL	1,260.56	1,262.59

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

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Opening inventory		
Finished goods	50.05	50.73
Stock-in-trade	20.79	32.49
	(A) 70.83	83.22
Closing inventory		
Finished goods	56.84	50.05
Stock-in-trade	21.34	20.79
	(B) 78.18	70.83
TOTAL (A-B)	(7.35)	12.39

23. Employee benefits expense

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Salaries and wages	375.33	379.62
Contribution to provident and other funds	24.87	28.77
Gratuity	10.91	15.84
Bonus	7.15	6.49
Leave encashment	-	3.05
Staff welfare expenses	30.74	24.77
TOTAL	449.00	458.53

24. Finance cost

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Interest on borrowings (Termloan and Occ)	34.32	32.97
Other borrowing cost	2.30	4.00
Interest on shortfall of advance tax	0.65	0.08
TOTAL	37.27	37.05

All amounts in ₹ lakhs, unless otherwise stated



25. Depreciation and amortization expense

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Depreciation of property, plant and equipment	75.02	64.33
Amortisation of intangible assets	0.90	0.88
TOTAL	75.92	65.21

26. Other expenses

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Power and fuel	162.66	167.06
Repairs and maintenance:		
Buildings	1.50	2.59
Plant and equipment	30.33	28.65
Vehicles	64.79	36.81
Others	16.49	15.52
Insurance	4.41	2.59
Vehicle Hire Charges	38.07	30.00
Security & House keeping	40.39	39.75
R & D Expenses	4.62	1.27
Licence and Fees	3.54	4.55
Telephone, Postage and Telegram	5.95	5.39
Printing and Stationery Expenses	3.36	3.44
Professional Charges	21.07	12.45
Rent, Rates & Taxes	177.15	98.80
Wages - contract labour	192.20	177.33
Travelling & conveyance	31.36	26.33
Commission & discount	13.55	17.36
Freight	31.17	31.34
Advertisement & sales promotion expenses	34.12	22.03
Payments to auditors (refer note 26 a)	2.46	2.18
Bank Charges	5.05	4.18
Provision for doubtful debts	0.19	0.12
Bad debts writtenoff	0.38	-
Miscellaneous expenses	10.39	9.99
TOTAL	895.21	739.72

26.(a) Payment to auditors:

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
(a) To statutory auditors		
Statutory audit fee	1.00	0.80
Tax audit fee	0.30	0.30
For other services (including fees for quarterly audits)	0.90	0.80
Reimbursement of expenses	0.26	0.28
TOTAL	2.46	2.18

27. Current Tax (including earlier tax)

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Current Tax	-	9.75
Add/(Less): Adjustment for Current Tax of Prior Periods	0.51	0.16
Total	0.51	9.91

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

Particulars	Year ended 31 st Mar 2021	Year ended 31 st Mar 2020
Accounting Profit before Income Tax	300.31	48.95
Tax expenses recognised as per MAT (15.6%/19.24%)	-	9.75
Earlier year tax	0.51	0.16
Income Tax expense reported in the Statement of Profit and Loss	0.51	9.91



(i) Leave obligations

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

(ii) Defined contribution plans

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

Particulars	31 st Mar 2021	31 st Mar 2020
Company's Contribution to Provident Fund	20.64	23.80

(iii) Post-employment obligations**Gratuity**

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

Particulars	31 st Mar 2021	31 st Mar 2020
Change in defined benefit obligations:		
Obligation at the beginning of the year	77.82	88.44
Current service costs	6.11	9.42
Past service cost	-	-
Interest costs	4.41	6.77
Remeasurement (gains)/losses	(7.16)	(25.00)
Benefits paid	25.06	1.81
Obligation at the end of the year	56.12	77.82
Change in plan assets:		
Fair value of plan assets at the beginning of the year	5.06	4.70
Interest income	0.56	0.36
Remeasurement (gains)/losses	0.31	-
Employer's contributions	31.54	-
Benefits paid	(25.06)	-
Fair value of plan assets at the end of the year	12.41	5.06
Expenses recognised in the statement of profit and loss consists of:		
Employee benefits expense:		
Current service costs	6.11	9.24
Past service cost	-	-
Net interest expenses	3.85	6.40
	9.96	15.64
Other comprehensive (income)/loss:		
(Gain)/Loss on Plan assets	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(0.69)	(33.55)
Actuarial (gain)/loss arising from changes in experience adjustments	(6.80)	8.55
	(7.49)	(25.00)
Expenses recognised in the	2.47	(9.36)

Particulars	31 st Mar 2021	31 st Mar 2020
Fair value of plan assets at the end of the year	12.41	5.06
Present value of obligation at the end of the year	56.12	77.82
Recognised as		
Retirement benefit liability - Non-current	44.41	72.76
Retirement benefit liability - current	3.39	8.17



iv) Significant estimates and sensitivity Analysis

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

Particulars	Defined benefit obligation							
	Key Assumptions		Increase in assumption by			Decrease in assumption by		
	31 st Mar 2021	31 st Mar 2020	Rate	31 st Mar 2021	31 st Mar 2020	Rate	31 st Mar 2021	31 st Mar 2020
Discount rate	6.91%	6.76%	1%	7.52	(7.30)	1%	16.61	8.50
Salary growth rate	5.00%	5.00%	1%	9.46	8.50	1%	(9.49)	(7.90)
Attrition rate	5.00%	5.00%	1%	(4.61)	1.00	1%	3.82	(1.20)

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

v) Risk exposure

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

Interest rate risk:

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

Salary inflation risk:

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

Demographic risk:

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



29. Financial instruments and risk management

Fair values

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

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

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

Particulars	Level	31 st Mar 2021		31 st Mar 2020	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets measured at amortised cost					
Non-current					
Investments	3	0.50	0.50	0.50	0.50
Other financial assets	3	24.15	24.15	23.26	23.26
Current					
Trade receivables	3	67.25	67.25	56.53	56.53
Cash and Cash Equivalents	3	54.42	54.42	52.45	52.45
Other bank balances	3	0.76	0.76	0.66	0.66
Loans	3	261.84	261.84	231.83	231.83
Other financial assets	3	164.06	164.06	18.05	18.05
Total		572.99	572.99	383.29	383.29
Financial liabilities					
Measured at amortised cost					
Non-current					
Borrowings	3	374.34	374.34	173.02	173.02
Other financial liabilities	3	0.62	0.62	0.62	0.62
Current					
Borrowings	3	178.14	178.14	202.41	202.41
Trade Payables	3	384.22	384.22	293.45	293.45
Other Financial Liabilities	3	235.11	235.11	161.54	161.54
Total		1,172.43	1,172.43	831.04	831.04

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

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



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

30. Financial risk management

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

(A) Market risk

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

(i) Foreign currency exchange rate risk

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

(ii) Interest rate risk

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

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

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

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 st Mar 2021	31 st Mar 2020	31 st Mar 2021	31 st Mar 2020
Change in interest rate				
increase by 1%	(3.36)	(2.75)	(3.36)	(2.75)
decrease by 1%	3.36	2.75	3.36	2.75

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



(B) Credit Risk

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

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

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

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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

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

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

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

Particulars	31 st Mar 2021	31 st Mar 2020
Gross carrying amount	67.56	56.65
Expected credit losses (Loss allowance provision)	0.31	0.12
Carrying amount of trade receivables	67.88	56.77

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

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

Particulars	31 st Mar 2021	31 st Mar 2020
Asset group	Estimated gross carrying amount at default	Estimated gross carrying amount at default
Gross carrying amount		
Loans	261.84	231.83
Employee advances	11.61	14.70
	273.45	246.53
Expected credit losses	-	-
Net carrying amount		
Loans	261.84	231.83
Employee advances	11.61	14.70
Total	273.45	246.53

(ii) Reconciliation of loss allowance provision

Particulars	Trade receivables
Loss allowance as at 31 March 2020	0.12
Changes in loss allowance during the period of 2020-21	0.19
Loss allowance as at 31 March 2021	0.31

All amounts in ₹ lakhs, unless otherwise stated



(iii) Significant estimates and judgements

Impairment of financial assets:

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

(C) Liquidity risk

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

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

(i) Financing arrangements:

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

Particulars	31 st Mar 2021	31 st Mar 2020
Expiring within one year (bank overdraft and other facilities)	2.00	264.00

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

Particulars	31 st Mar 2021	
	Less than 12 months	More than 12 months
Borrowings	178.14	374.34
Trade Payables	384.22	-
Other Financial Liabilities	235.11	0.62
Total	797.47	374.96

Particulars	31 st Mar 2020	
	Less than 12 months	More than 12 months
Borrowings	202.41	173.02
Trade Payables	293.45	-
Other Financial Liabilities	161.54	0.62
Total	657.40	173.64

(iii) Management expects finance cost to be incurred for the year ending 31 March 2021 is Rs. 41.18 Lakhs.

31. Capital management

A. Capital management and Gearing Ratio

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

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

Particulars	31 st Mar 2021	31 st Mar 2020
Borrowings		
Current	178.14	202.41
Non current	374.34	173.02
Debt	552.49	375.43
Equity		
Equity share capital	558.98	558.98
Other equity	672.06	365.65
Total capital	1,231.04	924.63
Gearing ratio in % (Debt/ capital)	45%	41%

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021 and 31 March 2020.



32. Contingent liabilities & Commitments

Nil (P.Y - Nil)

33. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Managerial Personnel (KMP):	
Ravichandran Rajagopal	Whole Time Director
Kalidindi Anuradha Raju	Director
Kalidindi Venkata Vishnu Raju	Chairman
Hari Babu Kolluri	Director
Parankusam Srinivas Ranganath	Director
Kalidindi Aditya Vissam	Managing Director
Penmetsa Srinivasa Raju	Director
Siroor Valagudde Shanker Shetty	Director
D Venugopal (w.e.f 01.02.2021)	Chief Financial Officer
Rajasekhar Bantupalli (till 30.07.2020)	Chief Financial Officer
R K Pooja	Company Secretary
ii) Enterprises in which key management personnel and/or their relatives have control:	
Vishnu Allied Services Limited	Group Company
Sri Vishnu Educational Society	Group Company
Senta Foodwork Private Limited	Joint Venture

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

Names of the related parties	Nature of Transactions	Year Ended 31 st Mar 2021	Year Ended 31 st Mar 2020
Vishnu Allied Services Limited	Advance against sale of land	68.00	230.50
Vishnu Allied Services Limited	Sale of land & building	514.59	-
Senta Foodwork Private Limited	Inter Corporate loans given	4.80	6.00
Senta Foodwork Private Limited	Interest Received	26.41	22.79
Senta Foodwork Private Limited	Raw Material Purchases	36.12	45.97
Kalidindi Aditya Vissam	Director's Remuneration	20.00	-
Ravichandran Rajagopal	Director's Remuneration	24.75	17.16

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

Names of the related parties	Nature of Balance	Year Ended 31 st Mar 2021	Year Ended 31 st Mar 2020
Kalidindi Aditya Vissam	Unsecured Loan Taken	23.68	23.68
Kalidindi Venkata Vishnu Raju	Unsecured Loan Taken	76.10	76.10
Vishnu Allied Services Limited	Advance against sale of land	-	297.50
Vishnu Allied Services Limited	Receivable against sale of land	149.09	-
Senta Foodwork Private Limited	Inter Corporate loans given	251.35	222.77
Senta Foodwork Private Limited	Creditor	20.13	2.10



34. Earnings per share (EPS)

Names of the related parties	31 st Mar 2021	31 st Mar 2020
Profit / (Loss) after tax	300.86	48.36
Weighted average number of equity shares in calculating Basic and Diluted EPS (in Numbers)	55,89,780	55,89,780
Face value per share ₹	10	10
Basic and Diluted Earnings per Share (EPS) ₹	5.38	0.87

35. Segment Information

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

b) **Information about products:** Revenue from external customers - Sale of Bakery Products Rs.2,909.56 Lakhs

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

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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

38. Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published

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

As per our report of even date

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 0001255

M.R.Vikram
Partner
Membership Number: 021012

Place: Hyderabad
Date: 30-06-2021

On behalf of Board of Directors

K.Aditya Vissam
Managing Director
(DIN: 06791393)

D.Venugopal
Chief Financial Officer
(PAN: AZGPD0487P)

R.Ravichandran
Whole time Director
(DIN: 00110930)

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



Factory Unit I



Factory outlet





Bread cooling tunnel and Lab





Factory outlet and Factory Unit II



Notes

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anjani
foods

ANJANI FOODS LTD.

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