

**The Nilgiri Dairy Farm Private Limited(CFS)**  
**Financial Statements for the year ending**  
**March 31, 2021**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of The Nilgiri Dairy Farm Private Limited

**Report on the Audit of the Consolidated Ind AS Financial Statements****Opinion**

We have audited the accompanying consolidated Ind AS financial statements of The Nilgiri Dairy Farm Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including the statement of Other Comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Change in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of change in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the '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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2(b) to the consolidated Ind AS Financial Statements. As more fully explained therein, the group has incurred a loss of Rs. 3,268.43 lakhs for the year ended March 31, 2021 and the Group's current liabilities exceeded its current assets as at the balance sheet date by Rs. 9,914.82 lakhs. These conditions, along with other matters set forth in Note 53, indicate the existence of uncertainty that may cast doubt about the Group's ability to continue as a going concern.

Our Opinion is not modified in respect to this matter.

**Emphasis of Matter**

We also draw attention to Note 53 of the Consolidated Ind AS financial Statement which describes uncertainties and the management's assessment of the impact of the COVID-19 pandemic on the operations of the Group, for which a definitive assessment of the impact in subsequent period is highly dependent on future economic developments and circumstances as they evolve. Our opinion is not modified in respect of this matter.



# **S.R. BATLIBOI & ASSOCIATES LLP**

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

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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



# **S.R. BATLIBOI & ASSOCIATES LLP**

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

## **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

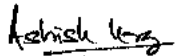
Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

- (c) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the "Companies (Accounting Standards) Rules, 2006 specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2015 (as amended);
- (c) On the basis of the written representations received from the directors of the Holding Company and its subsidiary Companies as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in the "Annexure 1" to this report;
- (h) According to the information and explanation given by the Management, there are no transactions on which the provisions of Section 197 read with Schedule V to the Act, are applicable;
- (i) 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 consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 49 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2021.

For S.R. Batliboi & Associates LLP

Chartered Accountants

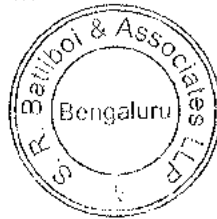
ICAI Firm Registration Number: 101049W/E300004



per Ashish Garg

Partner

Membership Number: 063252



UDIN: 21063252AAAAAH8661

Place of Signature: Bengaluru

Date: June 24, 2021

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**Annexure I to the independent Auditor's Report of even date on the consolidated Ind AS financial statements of The Nilgiri Dairy Farm Private Limited**

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

To the Members of The Nilgiri Dairy Farm Private Limited

In conjunction with our audit of the consolidated Ind AS financial statements of The Nilgiri Dairy Farm Private Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company which is a company incorporated in India, as of that date.

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

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

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. 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 with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

A company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the



# **S.R. BATLIBOI & ASSOCIATES LLP**

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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 Ind AS 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 Ind AS financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

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

## **Opinion**

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting with reference to these consolidated Ind AS financial statements criteria established by the Holding 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 S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

*Ashish Garg*

per Ashish Garg

Partner

Membership Number: 063252



UDIN: 21063252AAAAAH8661

Place of Signature: Bengaluru

Date: June 24, 2021

**The Nilgiri Dairy Farm Private Limited**  
**Consolidated Balance Sheet as at March 31, 2021**  
*(All amounts in INR lakhs, unless otherwise stated)*

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,506.48	2,974.56
Capital work-in-progress	6	-	14.78
Investment property	7	21.60	21.60
Goodwill	8	164.90	164.90
Intangible assets	9	65.92	89.93
Right-of-use assets	10	589.51	1,298.99
Financial assets			
i. Other financial assets	11	93.46	315.32
Deferred tax assets (net)	12	-	-
Non current tax assets (net)	13	735.23	779.90
Other non current assets	14	26.76	19.09
		<b>4,203.86</b>	<b>5,679.07</b>
<b>Current assets</b>			
Inventories	15	334.93	853.35
Financial assets			
i. Investments	16	1.37	0.95
ii. Trade receivables	17	1,384.01	1,782.11
iii. Cash and cash equivalents	18	32.91	118.68
iv. Bank balance other than (iii) above	19	1.04	1.02
v. Other financial assets	11	874.24	2,166.64
Other current assets	14	384.50	363.25
		<b>3,013.00</b>	<b>5,286.00</b>
Assets held for sale	20	11,582.98	11,582.98
		<b>14,595.98</b>	<b>16,868.98</b>
<b>Total assets</b>		<b>18,799.84</b>	<b>22,548.05</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	21	241.44	241.44
Other equity	22	49.30	3,307.74
Equity attributable to equity holders of the parent		<b>290.73</b>	<b>3,549.18</b>
Non-controlling interests	23	389.10	392.61
<b>Total equity</b>		<b>679.83</b>	<b>3,941.79</b>
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	24	2,405.20	2,196.37
ii. Lease liabilities	25	682.30	1,724.80
iii. Other financial liabilities	26	20.22	17.97
Provisions	27	-	25.66
Other non-current liabilities	28	13.80	16.70
		<b>3,121.52</b>	<b>3,981.50</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	24	7,440.47	8,428.01
ii. Lease Liabilities	25	124.92	245.62
iii. Trade payables	29		
(a) Total outstanding dues of micro enterprises and small enterprises		115.33	317.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,087.69	2,770.73
iv. Other financial liabilities	26	1,845.21	1,302.21
Provisions	27	103.88	88.52
Other current liabilities	28	185.74	360.87
		<b>12,903.24</b>	<b>13,513.75</b>
Liabilities directly associated with the assets held for sale	30	2,095.25	1,111.00
<b>Total liabilities</b>		<b>18,120.01</b>	<b>18,606.25</b>
<b>Total equity and liabilities</b>		<b>18,799.84</b>	<b>22,548.05</b>

**Summary of significant accounting policies**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI firm registration no.: 101049W/E300004

*Ashish Garg*

per Ashish Garg

Partner

Membership number: 063252

Place : Bengaluru

Date : June 24, 2021



For and on behalf of the Board of Directors of  
The Nilgiri Dairy Farm Private Limited  
CIN: U85110MH1970PTC265706

*B S Jagadish*

B S Jagadish

Director

DIN: 06729556

Place : Bengaluru

Date : June 24, 2021

*Abhay Anun Gaikar*

Abhay Anun Gaikar

Company Secretary

Membership number: A33494

Place : Bengaluru

Date : June 24, 2021

*Jude Savio Linhares*

Jude Savio Linhares

Director

DIN: 08314396

Place : Bengaluru

Date : June 24, 2021



The Nilgiri Dairy Farm Private Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2021  
(All amounts in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from contracts with customers	31	6,281.88	17,862.67
Other income	32	304.22	113.25
<b>Total income</b>		<b>6,586.10</b>	<b>17,975.92</b>
<b>Expenses</b>			
Cost of raw material and components consumed	33	1,388.24	6,931.34
Purchase of traded goods		3,332.88	8,125.19
Decrease in inventories of finished goods, work-in-progress and traded goods	34	83.93	56.97
Employee benefits expense	35	385.53	691.79
Finance costs	36	1,438.33	1,524.41
Depreciation and amortisation expense	37	487.82	558.88
Other expenses	38	2,637.79	2,760.35
<b>Total expenses</b>		<b>9,754.52</b>	<b>20,648.93</b>
<b>Loss before exceptional items and tax</b>		<b>(3,168.42)</b>	<b>(2,673.01)</b>
Exceptional items	39	(100.00)	(1,049.04)
<b>Loss before tax</b>		<b>(3,268.42)</b>	<b>(3,722.05)</b>
<b>Tax expense</b>			
Current tax	40	-	-
Deferred tax charge / (credit)	41	-	29.79
<b>Loss for the year</b>		<b>(3,268.42)</b>	<b>(3,751.84)</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Re-measurement gains/ (losses) on defined benefit plans	42	6.47	(1.83)
Income tax effect		-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>6.47</b>	<b>(1.83)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>6.47</b>	<b>(1.83)</b>
<b>Total comprehensive income for the year</b>		<b>6.47</b>	<b>(1.83)</b>
<b>Profits/(Loss) for the year attributable to :</b>		<b>(3,261.95)</b>	<b>(3,753.67)</b>
Equity holders of the parent		(3,264.91)	(3,770.68)
Non-controlling interests		(3.51)	18.84
<b>Total loss for the year</b>		<b>(3,268.42)</b>	<b>(3,751.84)</b>
<b>Other comprehensive income for the year attributable to :</b>			
Equity holders of the parent		6.47	(1.83)
Non-controlling interests		-	-
<b>Total other comprehensive income for the year</b>		<b>6.47</b>	<b>(1.83)</b>
<b>Total comprehensive income for the year attributable to :</b>			
Equity holders of the parent		(3,258.44)	(3,772.51)
Non-controlling interests		(3.51)	18.84
<b>Total comprehensive income for the year</b>		<b>(3,261.95)</b>	<b>(3,753.67)</b>
<b>Earnings per equity share</b>			
Basic and diluted (in INR) (computed on the basis of loss for the year attributable to equity holders of the parent)	43	(1,352.29)	(1,561.78)

**Summary of significant accounting policies**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI firm registration no.: 101049W/E300004

*Ashish Garg*

per Ashish Garg

Partner

Membership number: 063252

Place : Bengaluru

Date : June 24, 2021



For and on behalf of the Board of Directors of  
The Nilgiri Dairy Farm Private Limited  
CIN: U85110MH1970PTC265706

*B S Jagadish*

B S Jagadish

Director

DIN: 06729556

Place : Bengaluru

Date : June 24, 2021

*Abhay Arun Gaikar*

Abhay Arun Gaikar

Company Secretary

Membership number: A33494

Place : Bengaluru

Date : June 24, 2021

*Jude Savio Linhares*

Jude Savio Linhares

Director

DIN: 08314396

Place : Bengaluru

Date : June 24, 2021





**The Nilgiri Dairy Farm Private Limited**  
**Consolidated Statement of Cash Flows for the year ended March 31, 2021**  
*(All amounts in INR lakhs, unless otherwise stated)*

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Loss before tax	(3,268.42)	(3,722.05)
Adjustments to reconcile loss before tax to net cash flows:		
Exceptional items		
Finance costs (including fair value change in financial instruments)	100.00	1,049.04
Finance income	1,438.33	1,524.41
Interest on income tax refund	(3.45)	(36.38)
Profit/Loss on disposal of property, plant and equipment	(2.27)	(0.49)
Provision no longer required written back	3.06	(0.44)
Net loss/(gain) arising on financial assets mandatorily measured at fair value through profit or loss	-	(26.00)
Provision for expected credit loss	(0.43)	2.06
Gain on Termination of Right-To-Use Assets	1,339.54	40.00
Depreciation of property, plant and equipment	(257.84)	-
Depreciation of right-of-use assets	355.89	402.00
Amortization of intangible assets	93.45	109.58
Rent waiver received	38.48	47.30
Share-based payment expense	(17.25)	-
	-	(230.97)
	<b>(180.90)</b>	<b>(841.93)</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade and other receivables	276.07	1,260.34
(Increase)/decrease in inventories	518.42	(227.11)
(Increase)/decrease in other assets	3.85	(108.22)
Increase/(Decrease) in trade payables	(24.66)	155.69
Increase/(Decrease) in provisions	(8.40)	(182.76)
Increase/(Decrease) in other liabilities	(222.93)	(199.29)
<b>Cash used in operations</b>	<b>361.45</b>	<b>(143.28)</b>
Income taxes paid (net)	46.95	(95.26)
<b>Net cash used in operating activities (A)</b>	<b>408.40</b>	<b>(238.54)</b>
<b>Cash flows from investing activities</b>		
Finance income	3.45	36.37
Purchase of property, plant and equipment (including capital work-in progress and capital advances)	(7.15)	(79.24)
Proceeds from disposal of property, plant and equipment	9.13	323.19
Advance Received Against Assets Held for Sale	984.25	1,111.00
<b>Net cash from/(used in) investing activities (B)</b>	<b>989.67</b>	<b>1,391.32</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	(123.08)	(123.08)
Repayment of lease liabilities (net of sub-lease receipt)	(0.00)	(42.22)
Proceeds from Inter Corporate Deposit	200.00	7,242.00
Repayment of Inter Corporate Deposit	(1,000.51)	(5,069.00)
Proceeds/(repayments) of short term borrowings from bank	(187.05)	(2,097.35)
Interest paid	(373.21)	(983.46)
<b>Net cash generated/(utilised) from financing activities (C)</b>	<b>(1,483.85)</b>	<b>(1,073.11)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(85.77)</b>	<b>79.67</b>
Cash and cash equivalents at the beginning	118.68	39.01
<b>Cash and cash equivalents at the end of the year</b>	<b>32.91</b>	<b>118.68</b>
<b>Components of cash and cash equivalents for the purpose of cash flow statements :</b>		
Balances with banks	As at March 31, 2021	As at March 31, 2020
- On current account	32.91	118.60
Cash on hand	-	0.08
<b>Cash and cash equivalents as at the yearend</b>	<b>32.91</b>	<b>118.68</b>

Summary of significant accounting policies (refer note 3)

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI firm registration no.: 101049W/E300094

*Ashish Garg*

per Ashish Garg  
Partner

Membership number: 063252

Place : Bengaluru

Date : June 24, 2021



For and on behalf of the Board of Directors of  
The Nilgiri Dairy Farm Private Limited  
CIN: U85110MH1970PTC265706

*Jagadish*

B S Jagadish

Director

DIN: 06729556

Place : Bengaluru

Date : June 24, 2021

*Jude Savio Linhares*

Jude Savio Linhares

Director

DIN: 08314396

Place : Bengaluru

Date : June 24, 2021

*Abhay Anil Gaikar*

Abhay Anil Gaikar

Company Secretary

Membership number: A33494

Place : Bengaluru

Date : June 24, 2021



a. Equity share capital

Equity shares of INR 100 each issued, subscribed and fully paid

As at April 1, 2019

Issued during the year

As at March 31, 2020

Issued during the year

As at March 31, 2021

b. Other equity

As at April 1, 2019

Loss for the year

Other comprehensive income for the year

Total comprehensive loss for the year

Fair value of corporate guarantee received from the holding Company

Transitional adjustment on adoption of Ind AS 116 - refer note (i) below

Share-based payments

As at March 31, 2020

Loss for the year

Other comprehensive income for the year

Total comprehensive loss for the year

Fair value of corporate guarantee received from the holding Company

Share-based payments

As at March 31, 2021

(i) Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

Summary of significant accounting policies

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants



Ashish Garg  
Partner

Membership number: 063252

Place : Bengaluru

Date : June 24, 2021

For and on behalf of the Board of Directors of

The Nilgiri Dairy Farm Private Limited

CIN: U85110MH1970PTC265706

*[Signature]*  
B S Jagadish  
Director

Jude Savio Linhares  
Director

DIN: 06729556

Place : Bengaluru

Date : June 24, 2021

*[Signature]*  
Abhay Arun Gaikar  
Company Secretary

Membership number: A33494

Place : Bengaluru

Date : June 24, 2021



Class A equity share	Number of shares			Total	Amount (in lakhs)			Total
	Class B equity share	Class C equity share	Class C equity share		Class A equity share	Class B equity share	Class C equity share	
89,946	1,25,322	26,167	-	2,41,435	89.95	125.32	26.17	241.44
89,946	1,25,322	26,167	-	2,41,435	89.95	125.32	26.17	241.44
89,946	1,25,322	26,167	-	2,41,435	89.95	125.32	26.17	241.44

Equity component of compound financial instrument	Reserve & surplus					Total attributable to owners of the Company	Attributable to Non- controlling interests	Total equity
	Securities premium	General reserve	Retained earnings	Capital redemption reserve	Employee stock options outstanding			
4,472.47	8,034.31	1,372.73	(7,128.90)	362.30	290.05	66.99	373.77	7,843.72
-	-	-	(3,770.68)	-	-	-	18.84	(3,751.84)
-	-	-	(1.83)	-	-	-	(1.83)	(1.83)
-	-	-	(3,772.51)	-	-	-	18.84	(3,753.67)
-	-	-	(185.09)	-	-	22.68	-	22.68
-	-	-	-	-	(227.29)	-	(185.09)	(185.09)
4,472.47	8,034.31	1,372.73	(11,086.50)	362.30	62.76	89.67	392.61	3,700.35
-	-	-	(3,264.91)	-	-	-	(3.51)	(3,268.42)
-	-	-	6.47	-	-	-	6.47	6.47
-	-	-	(3,258.44)	-	-	-	(3.51)	(3,261.95)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,472.47	8,034.31	1,372.73	(14,344.94)	362.30	62.76	89.67	389.10	438.40

Note 3



**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**1 Corporate Information**

The Nilgiri Dairy Farm Private Limited ("the Company", "the Parent Company") was incorporated on August 21, 1970 as a Private Limited Company under the Companies Act, 1956. The registered office of the Company is at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060. The Company is primarily engaged in manufacture of dairy products and trading of staples, bakery products and other food products.

The Company is a wholly owned subsidiary of Future Consumer Limited ('FCL' or 'the Holding company'), an entity listed on BSE and NSE.

These consolidated financial statements comprise the Company and its subsidiaries (referred collectively as 'the Group'). For details of the Company's subsidiaries refer note 3 (a).

Effective January 1, 2018, two of the subsidiaries i.e. Nilgiri's Mechanised Bakery Private Limited (NMBPL) and Appu Nutritions Private Limited (ANPL) have entered into a business conduct agreement with Galaxy Cloud Kitchen Limited ("Galaxy") for transfer of operations, whereby allowing Galaxy to undertake and conduct the operations of manufacturing bakery products by way of operating from the factory premises utilizing the resources comprising of the property, plant & equipment, current assets, labour and other infrastructural facilities. With this arrangement, NMBPL and ANPL shall generate a royalty income as mutually agreed under this agreement.

**2 Basis of preparation and presentation**

**(a) Statement of compliance**

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on June 24, 2021.

**(b) Going concern**

These Consolidated Financial Statements have been prepared on a going concern basis notwithstanding a loss of INR 3,268.43 lakhs for the year ended March 31, 2021 (Previous year loss of INR 3,751.84 lakhs) and net current liabilities of INR 9,914.82 lakhs as at that date. (Previous year INR 8,227.76 lakhs) Based on the business plan of the Group and the future cash flow projections, the Group believes it could be able to establish a profitable operations. Furthermore, Future Consumer Limited, the Holding Company has provided a letter of continuing support to the Group confirming its unconditional and irrevocable financial support for a period of at least 12 months from the date of signing of these Consolidated Financial Statements. The Group's Management, based on the Group's future cash flow projections and the aforesaid letter of continuing support, believes that the Group will be able to continue as a going concern and meet its financial obligations in the foreseeable future.

**(c) Functional and presentation currency**

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

**(d) Basis of measurement**

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies mentioned below.

**(e) Measurement of fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;





2 Basis of preparation and presentation (continued)  
(e) Measurement of fair values (continued)

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(f) Use of estimates, judgements and assumptions

The preparation of the Consolidated Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 45
- Financial risk management objectives and policies Note 46 and 47

A Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

(i) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(ii) Useful lives of property, plant and equipment and intangible assets - Refer note 3(d) and (e) for details on useful lives of property, plant and equipment and intangible assets.

B Estimates and assumptions

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

(i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 8.



**The Nilgiri Dairy Farm Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2021 (continued)**  
*(All amounts in INR lakhs, unless otherwise stated) (continued)*

2

**Basis of preparation and presentation (continued)**

(f) **Use of estimates, judgements and assumptions (continued)**

**B Estimates and assumptions (continued)**

(ii) **Impairment of financial assets**

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

(iii) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iv) **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. For plans operated outside India, the Management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

(v) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) **Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. (such as the subsidiary's stand-alone credit rating).

(vii) **Provision for Inventories**

Management reviews the aged inventory on a periodic basis. This review involves comparison of the carrying value of the aged inventory item with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items.

(viii) **Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resource**

Represents estimates made for probable cash outflow arising out of pending disputes / litigations with various regulatory authorities

(g) **Current versus non-current classification**

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

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or

cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.





2 Basis of preparation and presentation (continued)

(g) Current versus non-current classification (continued)

- A liability is treated as current when:
- it is expected to be settled in the normal operating cycle
  - it is held primarily for the purpose of trading
  - it is due to be settled within twelve months after the reporting period, or
  - there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

3 Summary of significant accounting policies

(a) Basis of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as disclosed below :

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Company	
			March 31, 2021	March 31, 2020
- Nilgiris Franchise Limited	Service	India	100%	100%
- Nilgiri's Mechanised Bakery Private Limited	Manufacturing and service	India	85%	85%
- Appu Nutriitions Private Limited	Manufacturing and service	India	76%	76%

- (ii) Control is achieved when the Group:

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

- (iii) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

- (iv) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

(b) Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.



3 Summary of significant accounting policies (continued)

(b) Consolidation procedure (continued):

- (iv) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.





3 Summary of significant accounting policies (continued)

(c) Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(d) Property, plant and equipment and Capital work in progress

(i) Recognition and measurement

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

(ii) Subsequent expenditure

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(iii) Depreciation

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Estimated useful lives of the assets are as follows:

Class of asset	Useful Life
- Buildings	50 years*
- Office equipment	1.5-15 years
- Computer	1.5-10 years
- Furniture and Fixture	8-10 years
- Vehicle	1.5-5 years
- Plant and Machinery	1.5-3 years
- Leasehold Improvement	1.5-15 years
- Electrical installation	3 years
- Laboratory equipment	1.5-5 years

\*Pursuant to transition to Ind AS, the Group fair valued its land and building. Based on the report of an independent valuer, the Group has re-estimated the useful life of building to be 50 years. Accordingly, depreciation has been computed on the remaining useful life of the assets.

Freehold land is not depreciated

Leasehold improvements are depreciated over the primary lease period or useful life, whichever is shorter, on a straight-line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Property, plant and equipment and Capital work in progress (continued)

(iv) Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



3 Summary of significant accounting policies (continued)  
(d) Property, plant and equipment and Capital work in progress (continued)  
(iv) Impairment (continued)

Recoverable amount of an intangible asset is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

(v) *Reclassification to Assets held for sale*

The Group classify a non-current assets as held for sale if the carrying amount will be recovered principally through a sale transaction rather than continuing use.

(vi) *Capital work in progress*

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets ready for intended use before such date are disclosed under 'Capital work-in progress'.

(e) **Intangible assets**

(i) *Recognition and measurement*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) *Amortisation*

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Estimated useful lives of the assets are as follows:

Class of asset	Useful Life
Computer Software	5 years

(f) **Financial Instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I Financial assets**

(i) *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset, at fair value through profit or loss, transaction costs.





3 Summary of significant accounting policies (continued)

(f) Financial Instrument (continued)

I Financial assets (continued)

(i) Initial recognition and measurement (continued)

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

• Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and other non-current financial assets.

• Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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





3 Summary of significant accounting policies (continued)

(f) Financial Instrument (continued)

I Financial assets (continued)

(ii) Subsequent measurement(continued)

• Financial assets at fair value through profit or loss (FVTPL)

Fair value through profit or loss is a residual category for debt instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(iv) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.





3 Summary of significant accounting policies (continued)

(f) Financial Instrument (continued)

I Financial assets (continued)

(iv) Impairment of financial assets (continued)

- Trade receivable - The Group applies approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.
- Other financial assets - For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the financial statements.

Interest income is recognised in statement of profit and loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit and loss.

All other financial assets are subsequently measured at fair value

II Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings."

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost.

• Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

• Financial liabilities at amortised cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(iii) Derecognition

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



3 Summary of significant accounting policies (continued)

(f) Financial Instrument (continued)

III Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount
Amortised cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required
FVOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

IV Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

(g) Taxes

(i) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised 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.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing consolidated financial statements, temporary differences are calculated using the carrying amount as per consolidated financial statements and tax bases as determined by reference to the method of tax computation.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.





3 Summary of significant accounting policies (continued)

(g) Taxes (Continued)

(ii) Deferred tax (Continued)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

(iv) Minimum Alternative Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(v) Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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

Nature of inventory	Component of cost
- Raw materials, packing material and store & spares	Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.
- Finished goods and work in progress	Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs
- Traded goods	Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(i) Cash and cash equivalents

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

(j) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.



3 Summary of significant accounting policies (continued)

(j) Non-current assets held for sale (continued)

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset
- An active programme to locate a buyer and complete the plan has been initiated
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

(k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(f) for policy on impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.





3 Summary of significant accounting policies (continued)

(l) Provisions

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

1 Sale of products

The Group sells fast moving consumer goods ("FMCG"), Food and Processed Food Products. It is engaged in manufacture of dairy products and trading of staples, bakery products and other food products.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue was reduced for estimated customer returns, rebates and similar allowances. Revenue from sale of goods was recognised when the goods were delivered and titles have passed. i.e. The Group had transferred to the buyer the significant risks and rewards of ownership of goods; the Group retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue could be measured reliably; it was probable that the economic benefits associated with the transaction would flow to the Group; and the costs incurred or to be incurred in respect of the transaction could be measured reliably.

The Group recognizes revenue on the sale of goods, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer.

*Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)*

The Group recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the Group warehouse). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

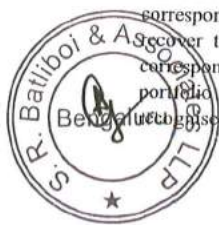
At inception of the contract, Group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the Group determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

The Group provides volume discount and rebate schemes to its customers on certain goods purchased by the customer once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Volume discount and rebate schemes give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group considers that either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract. The Group also considers the requirements of constraining estimates of variable consideration and makes adjustment to reduce revenue from sale of goods with a corresponding increase in other payables (Contract liabilities).

Under the Group's standard contract terms, customers have a right of return as per terms of trade. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue will not occur given the consistent level of returns over previous years.



3 Summary of significant accounting policies (continued)

(m) Revenue from contract with customer (continued)

I Sale of products (continued)

In case there is considerable time gap between transfer of good and services and receipt of fees for it, the Group evaluates the financing element in the transaction. The promised amount of consideration is adjusted for a significant financing component (variable component) to recognise revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer (i.e. the cash selling price). The financing component is accounted considering prevailing market interest rates and the time value of money.

In case where the customer gives non-cash consideration for the goods and services transferred or where customer provides the Group certain materials, equipment, etc. for carrying out the scope of work and the Group obtains control of those contributed goods or service, the fair value of such non-cash consideration given /materials supplied by customer is considered as part of the transaction price. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

II Sale of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer and is released on a straight line basis over the period of service (monthly basis)

III Royalty income

Royalty income is a payment received for utilizing the resources comprising of the fixed and current assets, labour and other infrastructural facilities of the Group.

IV Other operating revenues

(a) Franchisee fees

The Group earns franchisee fee by allowing the franchisee partners to use its brand and certain common facilities made available by the Group.

(b) Technical know how

The Group earns technical know how fee from franchisee partners for providing consultation and guidance for starting the franchise and for conducting training on system and process.

(c) Others

Includes listing fee and display income received from outside parties for listing of their products in Nilgiris product master list or display activities in Nilgiris stores.

V Contract balances

(a) Contract assets

A contract asset is initially recognised for revenue earned from sale of product/service because the receipt of consideration is conditional on successful completion of remaining performance obligation. Upon completion of the remaining performance obligation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment

(b) Trade receivables

A receivable is recognised by the Group when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 21 to 45 days.

(c) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(n) Retirement and other employment benefits

Retirement benefit in the form of provident fund and Employees' State Insurance Corporation (ESIC) are defined contribution schemes whose contributions are charged to the statement of profit and loss for the period when they are due to the respective funds. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. There are no obligations other than the contributions to the respective funds.

Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.





3 Summary of significant accounting policies (continued)

(n) Retirement and other employment benefits (continued)

The Group operates a defined benefit gratuity plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

(o) Leave Encashment / Compensated Absences

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

*Contributions from employees or third parties to defined benefit plans*

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the re-measurement of the net defined benefit liability/(asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19

(p) Share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) of the Holding Company.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The Group does not reimburse the cost of employee stock options to its Holding Company.

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the parent (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



3 Summary of significant accounting policies (continued)

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

(s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities and commitments are reviewed by the Management at each balance sheet date.

(t) Operating segment

The Board of Directors ("Board") of the Company assesses the financial performance and position of the Group, and makes strategic decisions. The Board has been identified as being the chief operating decision maker ('CODM'). The CODM, responsible for strategic decisions, for the assessment of the segments' performance and for the allocation of resources to the segments, is the Board of Directors.

(u) Investment property

Investment properties are properties held to earn rentals. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's 'Property, plant and equipment' ('Ind AS 16') requirements for cost model. The Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period in which the property is derecognised.

4 Changes in accounting policies and disclosures

(a) Appendix C to Ind AS 12: Uncertainty over income tax treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances"

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. The Appendix did not have an impact on the financial statements of the Group.

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The Nilgiri Dairy Farm Private Limited  
Notes to the consolidated financial statements for the year ended March 31, 2021  
(All amounts in INR lakhs, unless otherwise stated)

5 Property, plant and equipment

	Freehold Land	Freehold Building	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Plant and Machinery	Leasehold Improvements	Electrical Installations	Laboratory Equipment	Total
<b>Gross carrying amount</b>											
As at April 1, 2019	12,108.45	1,308.14	126.64	644.79	356.50	46.34	3,490.83	767.42	-	7.95	18,857.06
Additions	-	0.07	-	0.05	-	-	70.20	1.85	0.79	-	72.96
Disposals	-	-	-	-	-	(7.68)	(34.59)	(357.39)	-	-	(399.66)
Transferred to assets held for sale (refer note (ii) below and note 20)	(10,983.08)	(693.25)	-	-	-	-	-	-	-	-	(11,676.33)
<b>As at March 31, 2020</b>	<b>1,125.37</b>	<b>614.96</b>	<b>126.64</b>	<b>644.84</b>	<b>356.50</b>	<b>38.66</b>	<b>3,526.44</b>	<b>411.88</b>	<b>0.79</b>	<b>7.95</b>	<b>6,854.03</b>
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals (refer note (i) below)	-	-	(14.47)	(8.23)	(22.41)	-	(20.28)	-	-	-	(65.39)
<b>As at March 31, 2021</b>	<b>1,125.37</b>	<b>614.96</b>	<b>112.17</b>	<b>636.61</b>	<b>334.09</b>	<b>38.66</b>	<b>3,506.16</b>	<b>411.88</b>	<b>0.79</b>	<b>7.95</b>	<b>6,788.64</b>
<b>Accumulated Depreciation</b>											
As at April 1, 2019	-	163.18	77.63	572.55	226.09	46.06	2,197.27	113.97	-	0.97	3,397.72
Charge for the year	-	46.78	17.07	35.60	20.44	-	243.01	37.56	0.03	1.51	402.00
Disposals	-	-	-	-	-	(7.68)	(32.97)	(36.26)	-	-	(76.91)
Transferred to assets held for sale (refer note (ii) below and note 20)	-	(93.34)	-	-	-	-	-	-	-	-	(93.34)
<b>As at March 31, 2020</b>	<b>-</b>	<b>116.62</b>	<b>94.70</b>	<b>608.15</b>	<b>246.53</b>	<b>38.38</b>	<b>2,657.31</b>	<b>115.27</b>	<b>0.03</b>	<b>2.48</b>	<b>3,879.47</b>
Charge for the year	-	16.91	13.94	13.85	42.66	0.14	105.83	160.80	0.25	1.51	355.89
Disposals (refer note (i) below)	-	-	(12.75)	(8.04)	(16.60)	-	(15.81)	-	-	-	(53.20)
Transferred to assets held for sale (refer note (ii) below and note 20)	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>133.53</b>	<b>95.89</b>	<b>613.96</b>	<b>272.59</b>	<b>38.52</b>	<b>2,847.33</b>	<b>276.07</b>	<b>0.28</b>	<b>3.99</b>	<b>4,282.16</b>
<b>Net carrying Amount</b>											
As at March 31, 2020	1,125.37	498.34	31.94	36.69	109.97	0.28	869.13	296.61	0.76	5.47	2,974.56
As at March 31, 2021	1,125.37	481.43	16.28	22.65	61.50	0.14	658.83	135.81	0.51	3.96	2,506.48

(i) From April 1, 2019, the Group has entered into a sublease agreement for certain premises with Future Corporate Resources Private Limited (previously known as Suhani Trading & Investment Consultants Private Limited) (FCRPL). Consequently, the leasehold improvements pertaining to aforesaid premises have been transferred to FCRPL at its written down value.

(ii) The Group owns a freehold land admeasuring 10 acres and 34 guntas in Bommasandra Village, Bengaluru. During the current year, the Group has entered into a Memorandum of Understanding (MOU) with Gaurav Coomodal Private Limited dated 4th March 2021, for sale of the aforesaid freehold land and has received an advance of INR 984.25 lakhs (Previous year INR 1,111 lakhs) as per the terms of the MOU and balance consideration would be paid as per milestones specified in the MOU. Accordingly, land and building thereon are reclassified as assets held for sale. Refer note 20.

(iii) During the current year, the Management has carried out impairment testing for plant and machinery and concluded that the value in use of the plant and machinery is lower than carrying value of assets. As a result of this analysis, Management has recognised an impairment charge of INR 100.00 lakhs (previous year INR 250 lakhs) in the current year against the plant and machinery, previously carried at INR 1,019.84 lakhs. The impairment charge is recorded in the Statement of Profit and Loss as an exceptional item. Refer note 39.

(iv) Assets hypothecated as security:



All the assets, plant and machinery of the Parent Company are hypothecated to Catalyst Trusteeship Limited against Non Convertible Debentures issued and term loan taken by the Future Consumer Limited (the Holding Company). Refer note 39.



**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**6 Capital work in progress**

	Amount
As at April 1, 2019	18.82
Additions	
Capitalisation during the year	(4.04)
<b>As at March 31, 2020</b>	<b>14.78</b>
Additions	-
Capitalisation during the year	(14.78)
<b>As at March 31, 2021</b>	<b>-</b>

**7 Investment property**

**Gross carrying amount**

	Freehold Land (Amount)
As at April 1, 2019	21.60
Additions during the year	-
Disposals	-
<b>As at March 31, 2020</b>	<b>21.60</b>
Additions	-
Disposals	-
<b>As at March 31, 2021</b>	<b>21.60</b>

**Accumulated depreciation**

As at April 1, 2019	-
Charge for the year	-
<b>As at March 31, 2020</b>	<b>-</b>
Charge for the year	-
<b>As at March 31, 2021</b>	<b>-</b>

**Net carrying Amount**

<b>As at March 31, 2020</b>	<b>21.60</b>
<b>As at March 31, 2021</b>	<b>21.60</b>

(i) For investment property existing as on April 01, 2015 i.e. date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed costs.

(ii) The fair value of the Company's investment property as at March 31, 2021 has been arrived at on the basis of a valuation carried out on the respective date by an independent valuer not related to the Company. M/s Kanti Karamsey & Co. are registered with the authority which governs the valuers in India, and they have appropriate qualifications. The fair value of land was determined based on the market approach and fair value of building was determined based on cost approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

(iii) Details of rental income derived from investment property are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent income	12.57	12.57

(iv) Details of the Group's investment properties and information about the fair value hierarchy as at March 31, 2021 and March 31, 2020 are as follows:

	As at March 31, 2021	As at March 31, 2020
Fair value of land	496.00	441.00
Fair value hierarchy	Level 3	Level 3





**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**8 Goodwill**

	Amount
<b>Gross carrying amount</b>	
As at April 1, 2019	963.94
Additions during the year	-
Disposals	-
<b>As at March 31, 2020</b>	<b>963.94</b>
Additions	-
Disposals	-
<b>As at March 31, 2021</b>	<b>963.94</b>
<b>Accumulated impairment</b>	
As at April 1, 2019	-
Charge for the year	799.04
<b>As at March 31, 2020</b>	<b>799.04</b>
Charge for the year	-
<b>As at March 31, 2021</b>	<b>799.04</b>
<b>Net carrying Amount</b>	
<b>As at March 31, 2020</b>	<b>164.90</b>
<b>As at March 31, 2021</b>	<b>164.90</b>

(i) The goodwill of INR 799.04 lakhs relates to business acquisition of Nilgiri's Mechanised Bakery Private Limited, INR 131.12 relates to business acquisition of Appu Nutritions Private Limited and INR 33.78 lakhs relates to business acquisition of Nilgiris Franchise Limited. Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. The recoverable amount of the cash generating unit ('CGU') was determined based on value-in-use calculations which require the use of assumptions. The calculations used in cash flow projections are based on financial budgets approved by management covering a four year period.

(ii) The following table sets out the key assumption for these Cash Generating Units ("CGU") :

	March 31, 2021	March 31, 2020
Discount rate	12.50% - 17.00%	12.50% - 17.00%
Long term growth rate	5.00% - 6.10%	5.00% - 6.10%
Sales growth rate	5.00% - 10.00%	5.00% - 10.00%

(iii) The Group has recognised goodwill impairment for the year ended March 31, 2021 of INR Nil lakhs (March 31, 2020: INR 799.04 lakhs) relating to Nilgiri's Mechanised Bakery Private Limited.

(iv) There is no impairment noted in the Appu Nutritions Private Limited and Nilgiris Franchise Limited, based on the assessment performed by the management for the year ended March 31, 2021 and March 31, 2020. Management has performed sensitivity analysis around the base assumption and has concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the Appu Nutritions Private Limited and Nilgiris Franchise Limited lower than the carrying amount of CGU. For the year ended March 31, 2021 there are no circumstances which indicated that the carrying value may be impaired.

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**9 Intangible assets**

	Software (Amount)
<b>Gross carrying amount</b>	
As at April 1, 2019	330.73
Additions during the year	-
Disposals	-
<b>As at March 31, 2020</b>	<b>330.73</b>
Additions during the year	14.47
Disposals	-
<b>As at March 31, 2021</b>	<b>345.20</b>
<b>Accumulated Amortisation</b>	
As at April 1, 2019	193.50
Charge for the year	47.30
<b>As at March 31, 2020</b>	<b>240.80</b>
Charge for the year	38.48
<b>As at March 31, 2021</b>	<b>279.28</b>
<b>Net carrying Amount</b>	
<b>As at March 31, 2020</b>	<b>89.93</b>
<b>As at March 31, 2021</b>	<b>65.92</b>

**10 Right of use of Assets**

	Building (Amount)
<b>Gross carrying amount</b>	
As at April 1, 2019	-
Additions	1,408.57
Disposals	-
<b>As at March 31, 2020</b>	<b>1,408.57</b>
Additions during the year	
Disposals	738.07
<b>As at March 31, 2021</b>	<b>670.50</b>
<b>Accumulated Depreciation</b>	
As at April 1, 2019	-
Charge for the year	109.58
Disposals	-
<b>As at March 31, 2020</b>	<b>109.58</b>
Charge for the year	93.45
Disposals	122.04
<b>As at March 31, 2021</b>	<b>80.99</b>
<b>Net carrying Amount</b>	
<b>As at March 31, 2020</b>	<b>1,298.99</b>
<b>As at March 31, 2021</b>	<b>589.51</b>

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**11 Other financial assets**

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Security deposits	56.30	10.74
Other deposits	37.16	58.05
Operating lease receivables - Refer note 25	-	246.53
	<b>93.46</b>	<b>315.32</b>
<i>(Unsecured, considered doubtful, unless otherwise stated)</i>		
Security and other deposits	23.46	23.46
Less: Provision for doubtful deposits	(23.46)	(23.46)
	<b>93.46</b>	<b>315.32</b>
<b>Current</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Security deposits	752.28	848.87
Other deposits	8.15	8.15
Operating lease receivables - Refer note 25	-	57.49
Unbilled revenue	78.13	113.80
Other receivables - Refer note (ii) below	1,156.12	1,138.33
<b>Considered doubtful:</b>	(1,120.44)	-
	<b>874.24</b>	<b>2,166.64</b>

- (i) Refer note 24 for details of other current financial assets pledged as security for borrowings.  
(ii) Includes other receivable of INR Nil (March 31, 2020: INR 1,138.33) from related parties. Refer note 48.

**12 Deferred tax assets (net)**

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (net)	-	-
	<b>-</b>	<b>-</b>

**13 Non-current tax assets (net)**

	As at March 31, 2021	As at March 31, 2020
Income tax assets (net)	735.23	779.90
	<b>735.23</b>	<b>779.90</b>

**14 Other assets**

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Capital advances	26.76	19.09
	<b>26.76</b>	<b>19.09</b>
<b>Current</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Advances given to suppliers	281.11	232.78
Prepaid expenses	4.58	-
Balances with government authorities	96.41	122.58
Other advances	2.40	7.89
	<b>384.50</b>	<b>363.25</b>

- (i) Refer note 24 for details of other assets pledged as security for borrowings.





**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**15 Inventories (lower of cost and net realisable value)**

	As at March 31, 2021	As at March 31, 2020
Raw materials (valued at cost)	52.04	400.64
Finished goods (valued at lower of cost and net realisable value)	18.34	79.98
Traded goods (valued at lower of cost and net realisable value)	129.93	152.22
Packing material (valued at cost)	114.79	213.69
Stores and spares (valued at cost)	19.83	6.82
	<b>334.93</b>	<b>853.35</b>

(i) Inventories as stated above are net of provision for old and slow moving inventories amounting to INR 78.96 lakhs (March 31, 2020: INR 195.76 lakhs).

(ii) Inventories include material held by third party of INR 90.75 lakhs (March 31, 2020: INR 532.35 lakhs)

(iii) Refer note 24 for details of inventories pledged as security for borrowings.

**16 Current Investments**

	As at March 31, 2021	As at March 31, 2020
<b>Quoted equity instruments</b>		
Investments at fair value through profit and loss		
2,250 equity shares of Karnataka Bank Ltd. (March 31, 2020 : 2,250 shares)	1.37	0.95
	<b>1.37</b>	<b>0.95</b>
Aggregate book value of quoted investments	1.37	0.95
Aggregate market value of quoted investments	1.37	0.95
Aggregate value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

**17 Trade receivables**

**Carried at amortised cost**

	As at March 31, 2021	As at March 31, 2020
Trade receivables	648.41	1,149.26
Trade receivables from related parties - refer note 48	735.60	632.85
	<b>1,384.01</b>	<b>1,782.11</b>

**Break-up for security details:**

Secured, considered good	-	-
Unsecured, considered good	1,384.01	1,782.11
Trade receivables which have significant increase in credit risk	40.00	40.00
Trade receivables - credit impaired	584.78	365.67
	<b>2,008.79</b>	<b>2,187.78</b>

**Impairment allowance (allowance for bad and doubtful debts)**

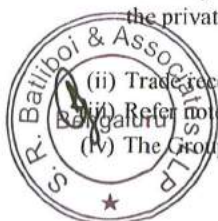
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	(40.00)	(40.00)
Trade receivables - credit impaired	(584.78)	(365.67)
<b>Trade receivables net of impairment</b>	<b>1,384.01</b>	<b>1,782.11</b>

(i) No trade or other receivable are due from directors or other officers of the Parent Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms in which any director is a partner. For the private companies in which directors of the Parent Company are also a director is disclosed under Note 48.

(ii) Trade receivables are non-interest bearing and are generally on terms of 10 to 100 days.

(iii) Refer note 24 for details of trade receivables pledged as security for borrowings.

(iv) The Group's exposure to credit risk and loss allowances related to trade receivables are disclosed in note 47B.



**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**18 Cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- On current accounts	32.91	118.60
Cash on hand	-	0.08
	<b>32.91</b>	<b>118.68</b>

- (i) Refer note 24 for details of cash and cash equivalents pledged as security for borrowings.  
(ii) For the purpose of statement of cash flows, cash and cash equivalents comprise the following :

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- On current accounts	32.91	118.60
Cash on hand	-	0.08
Cash and cash equivalents for the purpose of statement of cash flows	<b>32.91</b>	<b>118.68</b>

**19 Other bank balances**

	As at March 31, 2021	As at March 31, 2020
Deposit with original maturity more than 3 months but less than 12 months	1.04	1.02
	<b>1.04</b>	<b>1.02</b>

- (i) Refer note 24 for details of other bank balances pledged as security for borrowings.  
(ii) Fixed deposits marked as lien with statutory authorities.

**20 Asset held for sale**

	As at March 31, 2021	As at March 31, 2020
Freehold land	10,983.08	10,983.08
Building	599.90	599.90
	<b>11,582.98</b>	<b>11,582.98</b>

- (i) The Group has reclassified land and building from property, plant and equipment to assets held for sale. Refer note 5 (ii)  
(ii) Freehold land & building of the Group with a net book value of INR 11,582.98 lakhs (March 2020 : INR 11,582.99 lakhs) are hypothecated to Catalyst Trusteeship Limited against non-convertible debentures (NCDs) issued and term loan taken by the Future Consumer Limited (the Holding Company). Refer note 48.

**Breakup of financial assets carried at amortised cost**

Particulars	As at March 31, 2021	As at March 31, 2020
Other financial assets (Refer note 11)	967.70	2,481.96
Trade receivables (Refer note 17)	1,384.01	1,782.11
Cash and cash equivalents (Refer note 18)	32.91	118.68
Other bank balances (Refer note 19)	1.04	1.02
	<b>2,385.66</b>	<b>4,383.77</b>

*(This space has been intentionally left blank)*





## 21 Share Capital

### 21.1 Equity share capital

(i) Authorised share capital

	Number of shares			Total	Amount (in lakhs)			
	Class A equity shares	Class B equity shares	Class C equity shares		Class A equity shares	Class B equity shares	Class C equity shares	Total
	3,50,000	3,50,000	3,05,000	10,05,000	350.00	350.00	305.00	1005.00
	-	-	-	-	-	-	-	-
	3,50,000	3,50,000	3,05,000	10,05,000	350.00	350.00	305.00	1,005.00
	-	-	-	-	-	-	-	-
	3,50,000	3,50,000	3,05,000	10,05,000	350.00	350.00	305.00	1,005.00

## (ii) Issued, subscribed and fully paid up Equity share capital

	Number of shares			Total	Amount (in lakhs)			Total
	Class A equity shares	Class B equity shares	Class C equity shares		Class A equity shares	Class B equity shares	Class C equity shares	
	89,946	1,25,322	26,167	2,41,435	89.95	125.32	26.17	241.44
	-	-	-	-	-	-	-	-
	89,946	1,25,322	26,167	2,41,435	89.95	125.32	26.17	241.44
	-	-	-	-	-	-	-	-
	89,946	1,25,322	26,167	2,41,435	89.95	125.32	26.17	241.44
	-	-	-	-	-	-	-	-

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

Equity shares of INR 100 each fully paid

## Class A equity shares

Future Consumer Limited (Holding Company)

## Class B equity shares

Future Consumer Limited (Holding Company)

## Class C equity shares

Future Consumer Limited (Holding Company)

(iv) Terms / rights attached to equity shares

Class A and Class B equity shares will be entitled to an aggregate of 15.2% and 84.8% respectively of the retained property profits arising from sale of any properties owned by the Company and Class C equity shares shall not be entitled and have no right to participate in retained property profits of the Company. All equity shares rank equally with each other in respect to all the other earnings of the Company (with regard to dividend and Company's residual asset) except for retained property profits of the Company.

The equity shares have a par value of INR 100 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

By way of a Board resolution dated March 31, 2017, the Company has allotted 25,437 number of class 'N' equity shares as fully paid-up to the Holding Company by converting short term loan amounting to INR 2,500 lakhs. Also refer note 22

The Company has neither issued any bonus shares nor bought back any shares from the date of incorporation of the Company.





21 Share Capital (continued)

21.2 Preference share capital

(i) Authorised share capital

	Number of shares		Amount (in lakhs)		Total
	1% Redeemable non-cumulative preference shares	0.01% Redeemable non-cumulative preference shares	1% Redeemable non-cumulative preference shares	0.01% Redeemable non-cumulative preference shares	
Preference shares of INR 100 each					
As at April 1, 2019	49,95,000	30,00,000	4,995.00	3,000.00	7,995.00
Issued during the year	-	-	-	-	-
As at March 31, 2020	49,95,000	30,00,000	4,995.00	3,000.00	7,995.00
Issued during the year	-	-	-	-	-
As at March 31, 2021	49,95,000	30,00,000	4,995.00	3,000.00	7,995.00

(ii) Issued, subscribed and fully paid up Preference share capital

Equity component of 1% redeemable non-cumulative preference shares

	Number of shares	Amount in lakhs
Preference shares of INR 100 each		
As at April 1, 2019	46,84,270	4,473.00
Issued during the year	-	-
As at March 31, 2020	46,84,270	4,473.00
Issued during the year	-	-
As at March 31, 2021	46,84,270	4,473.00

(i) 4,684,270, 1% redeemable non-cumulative preference shares of INR 100 each (total value of INR 4,684 lakhs) have been classified between financial liability and other equity. Refer notes 22 (i) and 24.

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

	As at March 31, 2021	As at March 31, 2020
	Number of shares	Number of shares
	% of holding	% of holding
Equity component of 1% redeemable non-cumulative preference shares		
Class A equity shares		
Future Consumer Limited (Holding Company)	46,84,270	46,84,270
	100%	100%

Equity component of 1% redeemable non-cumulative preference shares

Class A equity shares  
Future Consumer Limited (Holding Company)

(iv) Terms / rights attached to preference shares

The authorized capital of the Company includes 4,995,000, 1% redeemable non-cumulative preference shares of INR 100 each and 3,000,000, 0.01% redeemable non-cumulative preference shares of INR 100 each. The preference shares do not carry any voting rights except in case of class meetings of preference shareholders. The preference shares are redeemable in nature. Preference shares are redeemable 20 years from the date of allotment of the preference shares at a premium as may be decided by the Board and permitted by the then prevailing law. Redemption of preference shares shall be effective only out of distributable profits of the Company or out of the proceeds of a fresh issue of preference shares by the Company subject to any requisite approvals. The Company can redeem the preference shares prior to the expiry of the term of 20 years.



**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**22 Other equity**

**(a) Equity component of compound financial instruments**

Opening balance  
Additions / deletion during the year  
Closing balance

As at March 31, 2021	As at March 31, 2020
4,472.47	4,472.47
-	-
4,472.47	4,472.47

**(b) Securities premium**

Opening balance  
Additions / deletion during the year  
Closing balance

As at March 31, 2021	As at March 31, 2020
8,034.31	8,034.31
-	-
8,034.31	8,034.31

**(c) General reserve**

Opening balance  
Additions / deletion during the year  
Closing balance

As at March 31, 2021	As at March 31, 2020
1,372.73	1,372.73
-	-
1,372.73	1,372.73

**(d) Retained earnings**

Opening balance  
Loss for the year  
Other comprehensive income for the year  
Transitional adjustment on adoption of Ind AS 116  
Closing balance

As at March 31, 2021	As at March 31, 2020
(11,086.50)	(7,128.90)
(3,264.91)	(3,770.68)
6.47	(1.83)
-	(185.09)
(14,344.94)	(11,086.50)

**(e) Capital redemption reserve**

Opening balance  
Additions / deletion during the year  
Closing balance

As at March 31, 2021	As at March 31, 2020
362.30	362.30
-	-
362.30	362.30

**(f) Employee Stock Options outstanding**

Opening balance  
Additions / (deletion) during the year in share based payments  
Closing balance

As at March 31, 2021	As at March 31, 2020
62.76	290.05
-	(227.29)
62.76	62.76

**(g) Other reserve**

Opening balance  
Fair value of corporate guarantee received from the Holding Company  
Closing balance

As at March 31, 2021	As at March 31, 2020
89.67	66.99
-	22.68
89.67	89.67
49.30	3,307.74





**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**(i) Equity component of compound financial instruments**

Compound financial instruments of the Group comprise 1% redeemable non-cumulative preference shares. The liability component of a compound financial instrument is initially recognised at the fair value. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit and loss.

**(ii) Securities premium**

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on shares shall be transferred to a "Securities Premium" as per the provisions of applicable Companies Act. By way of a Board resolution dated March 31, 2017, 25,437 number of class 'A' equity shares have been allotted as fully paid up to the Holding Company, Future Consumer Limited by converting loan amounting to INR 2,500 lakhs. The Group had issued 25,437 equity shares of INR 100 each at a premium of INR 9,728 per equity share. The reserve can be utilised only for limited purposes in accordance with the provisions of Section 52 of the Companies Act, 2013.

**(iii) General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. The amount transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

**(iv) Capital redemption reserve**

As per the provisions of Companies Act, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years. The capital redemption reserve account may be applied by the Group as per the provisions of the Companies Act, 2013.

**(v) Employee Stock Options outstanding**

This reserve relates to share options granted by the Group to its employees under its employee share option plan. The Group has two share option schemes under which options to subscribe for the Holding Company's shares have been granted to certain employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 50 for further details of these plans.

**(vi) Other reserve**

This represents the fair value impact of corporate guarantee received from the Holding Company.

**23 Non-controlling interests**

**Particulars**

Balance at the beginning of the year

Share of profit for the year

Balance at the end of the year

As at March 31, 2021	As at March 31, 2020
-------------------------	-------------------------

392.61

373.77

(3.51)

18.84

389.10

392.61



**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**24 Borrowings**

**Carried at amortised cost**

**Non Current**

**Secured**

Term loan from bank - refer note (i) below

Less: Current maturity of term loan from bank - refer note 26

**Unsecured**

Liability component of compound financial instruments - refer note (ii) below

**Total**

**Current**

**Secured**

Loans repayable on demand from banks

Bank overdraft - refer note (iii) below

**Unsecured - at amortised cost**

Inter corporate deposits from related party - refer note (v) below

	As at March 31, 2021	As at March 31, 2020
Term loan from bank - refer note (i) below	61.54	184.62
Less: Current maturity of term loan from bank - refer note 26	(61.54)	(123.08)
	-	61.54
Liability component of compound financial instruments - refer note (ii) below	2,405.20	2,134.83
<b>Total</b>	<b>2,405.20</b>	<b>2,196.37</b>
<b>Current</b>		
<b>Secured</b>		
Loans repayable on demand from banks	998.98	1,186.01
Bank overdraft - refer note (iii) below	998.98	1,186.01
<b>Unsecured - at amortised cost</b>		
Inter corporate deposits from related party - refer note (v) below	6,441.49	7,242.00
	<b>7,440.47</b>	<b>8,428.01</b>

**(i) Term loan from bank**

Term loan from bank carries a interest rate of 11.80% - 12.3% per annum linked to 1 year MCLR ( March 31, 2020 :11.80% per annum linked to 1 year MCLR). The loan is repayable in 13 equal quarterly instalments starting from September 2018. The loan is secured by exclusive first charge on the current assets and on all moveable property, plant and equipment of the Company; unconditional and irrevocable corporate guarantee of the Holding Company, unconditional and irrevocable personal guarantee of Mr. Kishore Biyani, subordination of preference share capital and undertaking from the Holding Company that unsecured loan of INR 6,397 lakhs (March 31, 2020 : INR 7,198 lakhs) would be retained in the Company's business till the facilities are availed from the bank.

**Loan covenants**

Bank loans contain certain debt covenants relating to maintaining EBITDA positive from FY 2018 and Net Outstanding Borrowings to Tangible Net Worth Ratio. The Parent Company has not satisfied the debt covenant of EBITDA being positive from FY 2018 as prescribed in the terms of bank loan. The bank will have the right to renegotiate the sanction terms and other conditions including securities and charging penal interest.

**(ii) Liability component of Compound financial instrument**

The Group has issued 4,684,270 (March 31, 2020 : 4,684,270) 1% Redeemable non-convertible preference shares of INR 100 per share. The 1% Redeemable non-convertible preference shares is in the nature of compound financial instrument and accounted at fair value as per requirements of Ind AS. The liability component of INR 2,405.2 lakhs (March 31, 2020 : INR 2,134.83 lakhs) is recognised at the fair value under borrowings and the equity component of INR 4,472.47 lakhs (March 31, 2020 : INR 4,472.47 lakhs) is recognised as equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The equity component is not remeasured subsequently. 1% Redeemable non-convertible preference shares are due for maturity in 20 years from date of allotment, i.e. October 31, 2026. The effective interest rate of the instrument is 12.10% (March 31, 2020: 12.10%).

**(iii) Bank overdraft**

The working capital loan carries variable interest rate of 1.25% p.a. above the bank's 1 year MCLR (March 31, 2020: 1.25% p.a. above the bank's 1 year MCLR) as declared from time to time. The loan is repayable on demand. The working capital loan is secured by a : Exclusive first charge on the current assets and on all moveable property, plant and equipment of the Parent Company; unconditional and irrevocable corporate guarantee of the Holding Company, unconditional and irrevocable personal guarantee of Mr. Kishore Biyani, subordination of preference share capital and undertaking from the Holding Company that unsecured loan of INR 6,397 lakhs lakhs (March 31, 2020: INR 7,242.00 lakhs) would be retained in the Parent Company's business till the facilities are availed from the bank. At March 31, 2021, the Group had available INR 21 lakhs (March 31, 2020: INR 14 lakhs) of undrawn committed borrowing facilities.

**(v) Inter corporate deposits**

The Group has availed inter-corporate deposits ('ICD') from Future Consumer Limited (Holding Company). The balance as at March 31, 2021 is INR 6,441.49 lakhs (March 31, 2020 INR 7,242.00 lakhs). The ICD carries an interest rate of 12.5% per annum (March 31, 2020 : 12.5%) and is repayable on demand. Refer note 48





The Nilgiri Dairy Farm Private Limited  
Notes to the consolidated financial statements for the year ended March 31, 2021  
(All amounts in INR lakhs, unless otherwise stated)

24 Borrowings (continued)

The table below details change in the Group's liabilities arising from financing activities, including both cash and non-cash

	Non current borrowing		Current borrowing	
	Term loan from bank	Liability component of compound financial instruments	Inter corporate deposit	Loans repayable on demand from banks
As at April 1, 2019	307.70	1,894.24	5,069.00	3,283.36
Financing cash flows (net)	(123.08)	-	2,173.00	(2,097.35)
Non cash movements:				
Change in fair value of financial instruments	-	240.59	-	-
As at March 31, 2020	184.62	2,134.83	7,242.00	1,186.01
Financing cash flows (net)	(123.08)	-	(800.51)	(187.03)
Non cash movements:				
Change in fair value of financial instruments	-	270.37	-	-
As at March 31, 2021	61.54	2,405.20	6,441.49	998.98

25 Lease liabilities

Carried at amortised cost

	As at March 31, 2021	As at March 31, 2020
<b>Non current</b>		
Lease liabilities	807.22	1,970.42
Less: Current maturity of lease liabilities	(124.92)	(245.62)
<b>Total non-current lease liabilities</b>	<b>682.30</b>	<b>1,724.80</b>
<b>Current</b>		
Lease liabilities	124.92	245.62
	<b>124.92</b>	<b>245.62</b>

25.1 Group as lessee

- (i) The Group has entered into lease agreements for use of buildings. These leases are for a period of 2 to 13 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of premises with lease terms of 12 months or less and leases of premises with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

- (ii) Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

<b>Buildings - office premises</b>
<b>Right-of-use</b>
As at April 1, 2019
Transferred from deferred lease rent as at April 01, 2019
Additions / (deletions) during the year
Depreciation expense during the year
As at March 31, 2020
Additions / (deletions) during the year
Depreciation expense during the year
As at March 31, 2021

	1,382.71
	25.86
	-
	(109.58)
	<b>1,298.99</b>
	(616.03)
	<b>(93.45)</b>
	<b>589.51</b>

- (iii) The following is the movement in lease liabilities during the year ended March 31, 2021

	<b>Lease liability</b>
As at April 01, 2019	1,924.94
Additions / (deletions) during the year	-
Accretion of interest	200.57
Payment of principal portion of lease liabilities	(42.22)
Payment of interest portion of lease liabilities	(112.87)
As at March 31, 2020	<b>1,970.42</b>
Additions / (deletions) during the year	(1,151.05)
Accretion of interest	143.27
Rent waiver received	(17.25)
Unpaid rent of terminated lease	(138.17)
Payment of principal portion of lease liabilities	-
Payment of interest portion of lease liabilities	-
As at March 31, 2021	<b>807.22</b>

The following is the breakup of current and non current lease liability.

	As at March 31, 2021	As at March 31, 2020
Non-current lease liabilities	682.30	1,724.80
Current lease liabilities	124.92	245.62
	<b>807.22</b>	<b>1,970.42</b>



25 Lease liabilities (continued)

25.1 Group as lessee (continued)

(iv) The following are the amounts recognised in the statement of Profit or Loss for the year ended March 31, 2021:

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Depreciation expenses of right of use-assets	93.45	109.58
- Interest expenses on lease liabilities	143.27	200.57
- Expense relating to short-term leases (included in other expenses)	-	60.71
- Expense relating to leases of low-value assets (included in other expenses)	0.06	17.84
<b>Total amount recognised in statement of profit or loss</b>	<b>236.78</b>	<b>388.70</b>

(v) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

	As at March 31, 2021	As at March 31, 2020
Less than one year	84.15	380.12
one to five years	471.23	1,077.95
more than five years	759.12	2,009.76
	<b>1,314.50</b>	<b>3,467.83</b>

The Group had total cash outflows for leases of INR NIL for the year ended March 31, 2021 (March 2020 : INR 155 lakhs). The Group also had no non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2021. There are no future cash outflows relating to leases that have not yet commenced.

25.2 Transition

(i) Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of financial statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-use-assets (ROU) of INR 1,408.57 lakhs, net investment in sub-lease of INR 357.14 lakhs and a lease liability of INR 1,924.94 lakhs, net of tax. The cumulative effect of applying the standard, amounting to INR 185.09 lakhs was debited to retained earnings. The effect of this adoption is insignificant on the losses before tax, losses for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application

25.3 Group as lessor

The Group has entered into operating lease arrangement for one of its office building with lease terms ranging between 3-5 years. Lease income for the year ended March 31, 2021 is INR 7.4 lakhs (March 31, 2020: INR 5.15 lakhs). The Group does not have any non-cancellable operating lease arrangements as lessor.

(i) The following are the amounts recognised in the statement of Profit or Loss for the year ended March 31, 2021:

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Lease income	7.40	5.15
	<b>7.40</b>	<b>5.15</b>





**The Nilgiri Dairy Farm Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2021**  
*(All amounts in INR lakhs, unless otherwise stated)*

**26 Other financial liabilities**

**Non-current**

Deposits received from customers  
 Security and other deposits received

**Current**

Current maturities of long term debt - refer note 24  
 Interest accrued but not due  
 Security and other deposits received  
 Payable on purchase of fixed assets

As at March 31, 2021	As at March 31, 2020
13.86	13.86
6.36	4.11
<b>20.22</b>	<b>17.97</b>
61.54	123.08
1,052.80	401.33
711.76	758.92
19.11	18.89
<b>1,845.21</b>	<b>1,302.21</b>

(i) Interest accrued but not due includes payable to related party of INR 1045.45 lakhs (March 31, 2020: INR 399.02 lakhs) - refer note 48.

**27 Provisions**

**Non-current**

Provision for gratuity (refer note 44)

**Current**

Provision for compensated absences  
 Provision for Bonus, Incentives and others  
 Provision for pending 'C' forms - (refer note (i) below)  
 Provision for claims and contingencies - (refer note (ii) below)

As at March 31, 2021	As at March 31, 2020
-	25.66
-	<b>25.66</b>
27.90	35.52
36.98	-
4.00	4.00
35.00	49.00
<b>103.88</b>	<b>88.52</b>

- (i) The Group have pending 'C' forms to be collected for previous years from various parties and customers. Non submission of 'C' forms may lead to potential liability hence the provision has been created.
- (ii) The Group is involved in certain legal disputes with some of its franchisees and landlords for commercial and other matters that have arisen from time to time. A number of these claims/disputes relate to recovery of arrears of rent, damages claimed by franchisees etc. on termination of the franchisee agreement. Also refer note 49.

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**The Nilgiri Dairy Farm Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2021**  
*(All amounts in INR lakhs, unless otherwise stated)*

**28 Other liabilities**

**Non current**

Deferred lease rent

**Current**

Statutory due payable

Advance received from customers

Deferred lease rent

As at March 31, 2021	As at March 31, 2020
13.80	16.70
13.80	16.70
18.90	141.73
163.94	216.24
2.90	2.90
185.74	360.87

**29 Trade payables**

Carried at amortised cost

Total outstanding dues of micro enterprises and small enterprises - refer note (iv) below

Total outstanding dues of creditors other than micro enterprises and small enterprises

As at March 31, 2021	As at March 31, 2020
115.33	317.79
3,087.69	2,770.73
3,203.02	3,088.52

- (i) Includes payable of INR 1,796.74 lakhs (March 31, 2020: INR 1,364.10 lakhs) to related parties. Includes payable to related parties. Refer note 48.
- (ii) Trade payables are non-interest bearing and are normally settled on 15 to 30 days terms
- (iii) For explanation of Group's credit risk management - refer note 47B

**(iv) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006**

**Particulars**

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

Principal amount due to micro and small enterprises

Interest due on the above

(i) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

(ii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006

(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year

(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006

As at March 31, 2021	As at March 31, 2020
115.33	317.79
-	-
-	-
-	-
-	-
-	-

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 regarding Micro and Small enterprises determined to the extent such parties have been identified on the basis of the information available with the Group.

**30 Liabilities directly associated with the assets held for sale**

Advance against asset held for sale - Refer note (i) below

As at March 31, 2021	As at March 31, 2020
2,095.25	1,111.00
2,095.25	1,111.00

- (i) The Company has received an advance of INR 2,095.25 lakhs (Previous year INR 1,111 lakhs) against the land and building reclassified as asset held for sale. Refer note 5(ii).

**Breakup of financial liabilities carried at amortised cost**

Borrowings (Refer Note 24)

Other financial liabilities (Refer Note 26)

Trade payables (Refer Note 29)

Trade payables (Refer Note 29)

**Total financial liabilities carried at amortised cost**

As at March 31, 2021	As at March 31, 2020
9,845.67	10,624.38
1,865.43	1,320.18
807.22	1,970.42
3,203.02	3,088.52
15,721.34	17,003.50





**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**31 Revenue from contracts with customers**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	5,545.61	16,871.84
Sales of services	-	5.33
Royalty income - refer note (i) below	138.26	240.00
Other Operating revenues		
Franchisee fees - refer note (ii) below	511.36	686.18
Technical know how - refer note (iii) below	26.97	53.00
Others - refer note (iv) below	59.68	6.32
	<b>6,281.88</b>	<b>17,862.67</b>

(i) Royalty income : Royalty income is a payment received for utilizing the resources comprising of the fixed and current assets, labour and other infrastructural facilities of the Group.

(ii) Franchisee fee: The Group earns franchisee fee by allowing the franchisee partners to use its brand and certain common facilities made available by the Group.

(iii) Technical know how: The Group earns technical know how fee from franchisee partners for providing consultation and guidance for starting the franchise and for conducting training on system and process.

(iv) Others : Includes listing fee and display income received from outside parties for listing of their products in Nilgiris product master list or display activities in Nilgiris stores.

(v) Revenue from related parties. Refer note 48.

**31.1** Details of revenue from contracts with customers recognised by the Group, net of indirect taxes in its statement of Profit and loss. The table below presents disaggregated revenues from contracts with customers.

**(i) Based on type of goods / service**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of consumer products	5,545.61	16,871.84
Franchisee fees	511.36	686.18
Royalty income	138.26	240.00
Technical know how	26.97	53.00
Sale of services	-	5.33
Miscellaneous Income	59.68	6.32
<b>Total revenue from contract with customer</b>	<b>6,281.88</b>	<b>17,862.67</b>

**(ii) Based on geography**

	For the year ended March 31, 2021	For the year ended March 31, 2020
India	6,281.88	17,862.67
Outside India	-	-
	<b>6,281.88</b>	<b>17,862.67</b>

**(iii) Based on time of revenue recognition**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Goods transferred at a point in time	6,116.65	17,564.34
Services transferred over time	165.23	298.33
	<b>6,281.88</b>	<b>17,862.67</b>

**31.2** The Group derives its revenue from the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single service line.

**31.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contracted price	6,506.28	18,637.06
Discount	(224.40)	(774.39)
<b>Revenue from contract with customers</b>	<b>6,281.88</b>	<b>17,862.67</b>



**The Nilgiri Dairy Farm Private Limited**

Notes to the consolidated financial statements for the year ended March 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**31.4 Performance obligation**

The Group has applied practical expedient as given in Ind AS 115 for not disclosing the remaining performance obligation for the contracts that have original expected duration of one year or lesser.

**31.5 Contract balances**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Trade receivables	1,384.01	1,782.11
Contract assets	78.13	113.80
Contract liability	163.94	216.24

- Trade receivables are non interest bearing and are generally on terms of 1 to 30 days. The Group receives payments from customers based upon contractual billing schedules. Trade receivables are recorded when the right to consideration becomes unconditional, amounts overdue continue to be interest free.

- Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.

- Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

- Set out below is the amount of revenue recognised from:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Amounts included in contract liabilities at the beginning of the year	216.24	275.95
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	216.24	275.95
Revenue recognised from performance obligations satisfied in previous years	-	-

**32 Other income**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Rental income</b>		
- Lease rental income on property leases (Refer note 25)	7.40	5.15
<b>Interest income</b>		
- On deposits (at amortised cost)	3.45	1.14
- On subleased premises	-	35.22
- Income tax and VAT refund	2.27	0.49
<b>Other non-operating income</b>		
- Gain on disposal of property, plant and equipment	-	0.56
- Provision no longer required written back (net)	-	26.00
- Gain on termination of lease asset	257.84	-
- Net gain on financial assets measured at FVTPL	0.43	-
- Miscellaneous income	32.83	44.69
<b>Total</b>	<b>304.22</b>	<b>113.25</b>

**33 Cost of raw materials and components consumed**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	621.15	337.08
Add: Purchases	953.74	7,215.41
	<b>1,574.89</b>	<b>7,552.49</b>
Less: inventory at the end of the year	(186.65)	(621.15)
<b>Cost of raw material and components consumed</b>	<b>1,388.24</b>	<b>6,931.34</b>





**The Nilgiri Dairy Farm Private Limited**

Notes to the consolidated financial statements for the year ended March 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

**34 Changes in inventories of finished goods and traded goods**

**Finished goods**

Inventory at the beginning of the year  
Less: inventory at the end of the year  
Decrease in finished goods

For the year ended March 31, 2021	For the year ended March 31, 2020
79.98	94.73
(18.34)	(79.98)
<b>61.64</b>	<b>14.75</b>

**Trading goods**

Inventory at the beginning of the year  
Less: inventory at the end of the year  
Decrease in traded goods

152.22	194.44
(129.93)	(152.22)
<b>22.29</b>	<b>42.22</b>
<b>83.93</b>	<b>56.97</b>

**Total decrease in inventory**

**35 Employee benefit expenses**

Salaries, wages and bonus  
Contribution to provident and other funds  
Gratuity expense - refer note 44  
Expenses on employee stock option scheme (ESOP) - refer note (i) below and 50  
Staff welfare expenses

For the year ended March 31, 2021	For the year ended March 31, 2020
356.14	828.33
14.43	44.55
11.10	20.22
-	(230.97)
3.86	29.66
<b>385.53</b>	<b>691.79</b>

(i) The employee stock option cost of unvested shares forfeited in the previous year on resignation of employees is accounted in statement of profit and loss.

**36 Finance costs**

Interest on loans from bank  
Interest on loan from related parties (refer note 48)  
Interest on lease liabilities (Refer note 25)  
Interest on debt component of Preference shares (refer note 48)  
Other interest cost

For the year ended March 31, 2021	For the year ended March 31, 2020
115.34	214.25
901.07	810.56
143.27	200.57
270.37	240.59
8.28	58.44
<b>1,438.33</b>	<b>1,524.41</b>

**37 Depreciation and amortization expense**

Depreciation of tangible assets (refer note 5)  
Amortization and impairment of intangible assets (refer note 9)  
Depreciation of right-of-use assets (refer note 10)

For the year ended March 31, 2021	For the year ended March 31, 2020
355.89	402.00
38.48	47.30
93.45	109.58
<b>487.82</b>	<b>558.88</b>

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**38 Other expenses**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Warehousing and distribution expenses	866.50	1,561.86
Infrastructure management fee	-	269.64
Labour contract charges	39.72	158.60
Electricity expenses	29.27	127.64
Lease payments on low value assets and short term leases (refer note 25)	0.06	78.55
Travelling and conveyance	3.52	75.82
Security service charges	25.17	33.87
<u>Repairs and maintenance</u>		
- Plant and machinery	1.03	63.69
- Buildings	0.52	0.49
- Others	1.86	4.39
Legal and professional charges	34.22	50.48
Payment to auditors (refer note (i) below)	43.21	34.05
Rates and taxes	117.33	51.22
Provision for doubtful debts and advances	1,339.54	40.00
Consumables and packing material	11.03	26.90
Advertisement, publicity and selling expenses	-	21.31
Insurance	11.26	11.54
Director's sitting fees	4.10	3.50
Loss on Sale/Retirement of property, plant and equipment	3.06	-
Net loss on financial assets measured at FVTPL	-	2.06
Miscellaneous expenses	106.39	144.74
	<b>2,637.79</b>	<b>2,760.35</b>

**(i) Payment to auditors**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory audit fee	34.21	25.05
Limited review	9.00	9.00
	<b>43.21</b>	<b>34.05</b>

**39 Exceptional item**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Impairment of Goodwill - refer note (i) below	-	799.04
Impairment of Plant and Machinery - refer note (ii) below	100.00	250.00
	<b>100.00</b>	<b>1,049.04</b>

(i) In the previous year, the recoverable amount of the investment in Nilgiri's Mechanised Bakery Private Limited has been determined based on a equity valuation calculated using cash flow projections covering a four-year period. As a result of this analysis, Management has fully recognised an impairment of Goodwill of INR 799.04 lakhs in the previous year. The impairment charge is recorded in the Statement of Profit and Loss as an exceptional item.

(ii) During the current year the Management has carried out impairment testing for plant and machinery and concluded that the value in use of plant and machinery is lower than carrying value of assets. As a result of this analysis, Management has recognised an additional impairment charge of INR 100 lakhs (previous year 250.00 lakhs) in the current year against the plant and machinery, previously carried at INR 1,019.84 lakhs. The impairment charge is recorded in the Statement of Profit and Loss as an exceptional item.

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**40 Income tax expense**

**(a) Statement of profit or loss**

Current tax  
Adjustment of tax relating to earlier periods  
Deferred tax charge / (credit)

For the year ended March 31, 2021	For the year ended March 31, 2020
-	-
-	-
-	29.79
-	<b>29.79</b>

**(b) Statement of other comprehensive income**

On remeasurement of defined benefit obligation

-	-
-	-

**(c) Income tax recognized directly in equity**

Income tax recognized directly in equity

-	-
-	-

**Reconciliation of tax expense and tax based on accounting profit:**

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Loss before tax	-	-
- Indian income tax rate	25.17%	25.17%
- At India's statutory income tax rate of 25.17% (March 31, 2020: 25.17%)	0.00	0.00
- Adjustments in respect of current income tax of previous year	-	-
- Tax credit utilisation/reversal	-	-
- Deferred tax not recognised on current year temporary difference (refer note (i) below)	-	0.00
- MAT/ Deferred tax reversed for earlier years on account of adoption of concessional tax rate	0.00	29.79
	-	<b>29.79</b>

Reconciliation of effective tax rate is not reported as no tax expense has been recognised for year ended March 31, 2021.

Deferred tax asset has not been recognised in the books, because it is not probable that future taxable profits will be available against which the Company can use the benefits.

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**4) Deferred Tax Balances**

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet:

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	-	-
Deferred tax liabilities	-	-
<b>Total</b>	-	-

**Unrecognised deductible temporary differences and unused tax losses**

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can use the benefits:

Particulars	As at March 31, 2021	As at March 31, 2020
Deductible temporary differences	2,086.52	963.54
Loss carryforwards (refer note below)	17,814.54	15,818.12
	<b>19,901.06</b>	<b>16,781.66</b>

The unrecognised tax losses will expire in 2023-2028. The deductible temporary differences do not expire under current tax legislation.

**41.1 Movement in Deferred Tax**

Movement in deferred tax assets/(liabilities) in relation to the year ended March 31, 2021 is as follows:

Particulars	Opening balance	Recognized in Profit or loss	Recognized in OCI	Recognized directly in Equity	Acquisition/ Disposals	Closing balance
Unused tax credit (Minimum Alternate Tax)	-	-	-	-	-	-
Tax losses	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

Movement in deferred tax assets/(liabilities) in relation to the year ended March 31, 2020 is as follows:

Particulars	Opening balance	Recognized in Profit or loss	Recognized in OCI	Recognized directly in Equity	Acquisition/ Disposals	Closing balance
Unused tax credit (Minimum Alternate Tax)	29.79	(29.79)	-	-	-	-
Tax losses	-	-	-	-	-	-
<b>Total</b>	<b>29.79</b>	<b>(29.79)</b>	-	-	-	-



As in the previous year, Nilgiri's Mechanised Bakery Private Limited (a subsidiary of the Company) has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. On exercise of the option, Nilgiri's Mechanised Bakery Private Limited is ineligible to carry forward and set off the unused tax credit (Minimum Alternate Tax). Accordingly, deferred tax asset have been reduced by INR 26.25 lakhs and the deferred tax charge for the year have increased by INR 26.25 lakhs.

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**42 Components of other comprehensive income**

**Items that will not be reclassified to statement of profit or loss**

Remeasurement gains/ (losses) on defined benefit plans

Income tax effect

For the year ended March 31, 2021	For the year ended March 31, 2020
6.47	(1.83)
-	-
<b>6.47</b>	<b>(1.83)</b>

**43 Earnings per share (EPS)**

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Loss attributable to equity holders of the Company (a) (INR in lakhs)	(3,264.91)	(3,770.68)
- Weighted average number of shares outstanding during the year for basic and diluted EPS (b)	2,41,435	2,41,435
- Basic and diluted earnings per share (in INR) (a/b)	(1,352.29)	(1,561.78)
<b>Equity share reconciliation for EPS</b>		
- Opening balance (nos.)	2,41,435	2,41,435
- Effect of fresh issue of shares	-	-
- Weighted average number of equity shares for calculating basic EPS (nos.)	<b>2,41,435</b>	<b>2,41,435</b>

The Group does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**44 Employee benefit plans**

**A Defined contribution plans - Provident Fund**

The Group's contribution to provident fund, superannuation fund and employee state insurance are determined under the relevant schemes and / or statute and charged to the statement of profit and loss.

The Group's contribution to Provident Fund and Superannuation Fund for the year ended March 31, 2021 aggregating to INR 14.43 lakhs (March 31, 2020: INR 44.55 lakhs) has been recognized in the statement of profit and loss under the head employee benefits expense.

**B Defined benefit plans (funded) - Gratuity**

The Group has provided for gratuity liability, for its employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 as amended from time to time or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this act.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over the period of time. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

**(i) Risk exposure to defined benefit plans - Gratuity is a defined benefit plan and the Group is exposed to the following risks:**

- (a) Interest risk      The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.
- (b) Investment Risk      For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
- (c) Salary risk      The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the rate of interest in future for employees from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- (d) Longevity risk      The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- (e) Regulatory risk      Gratuity benefits are paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.
- (f) Market Risk      Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.





**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**44 Employee benefit plans (continued)**

**B Defined benefit plans (funded) - Gratuity (continued)**

(ii) The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:

	Defined benefit obligation (A)	Fair value of planned assets (B)	Net Amount (A-B)
As at April 1, 2019	119.16	42.58	76.58
<b>Amount recognised in Statement of Profit or Loss</b>			
Current service cost	15.56	-	15.56
Interest expense on defined benefit obligation	7.74	-	7.74
Interest income on plan assets	-	3.08	(3.08)
<b>Total amount recognised in Statement of Profit or Loss</b>	<b>23.30</b>	<b>3.08</b>	<b>20.22</b>
Benefits paid	(72.97)	-	(72.97)
Acquisition / Divestiture/ transfer out	-	-	-
<b>Remeasurement</b>			
Actuarial (gains) and losses arising from changes in financial assumptions	2.72	-	2.72
Actuarial (gains) and losses arising from experience	(0.89)	-	(0.89)
<b>Total amount recognised in other comprehensive income</b>	<b>1.83</b>	<b>-</b>	<b>1.83</b>
As at March 31, 2020	71.32	45.66	25.67

	Defined benefit obligation (A)	Fair value of planned assets (B)	Net Amount (A-B)
As at April 1, 2020	71.32	45.66	25.67
<b>Amount recognised in Statement of Profit or Loss</b>			
Current Service cost	9.95	-	9.95
Interest expense on defined benefit obligation	4.09	-	4.09
Interest income on plan assets	-	2.95	(2.95)
<b>Total amount recognised in Statement of Profit or Loss</b>	<b>14.05</b>	<b>2.95</b>	<b>11.10</b>
Benefits paid	(31.00)	-	(31.00)
Acquisition / Divestiture/ transfer out	-	-	-
<b>Remeasurement</b>			
Actuarial (gains) and losses arising from changes in financial assumptions	(0.27)	0.22	(0.50)
Actuarial gains and losses arising from changes in demographic assumptions	-	0.02	(0.02)
Actuarial (gains) and losses arising from experience adjustments	(9.82)	-	(9.82)
<b>Total amount recognised in other comprehensive income</b>	<b>(10.10)</b>	<b>0.25</b>	<b>(10.34)</b>
As at March 31, 2021	44.26	48.85	(4.58)

**(iii) Category wise plan assets**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Life Insurance Corporation - (These plan assets are unquoted instruments. )

As at March 31, 2021	As at March 31, 2020
48.85	45.66



The Nilgiri Dairy Farm Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

44 Employee benefit plans (continued)

B Defined benefit plans (funded) - Gratuity (continued)

(iv) Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.57%	6.46%
Salary escalation	6.00%	6.00%
Attrition rate	10.00%	12.00%
Mortality rate	(IALM 2012-14)	(IALM 2012-14)
Retirement age	Ultimate	Ultimate
Expected rate of return on assets	58 years	58 years
	7.25%	7.25%

Note

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Particulars (Gratuity)	Sensitivity level		Impact on DBO	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	1.00%	1.00%	(41.84)	(66.37)
	-1.00%	-1.00%	46.79	73.57
Salary increase rate	1.00%	1.00%	46.78	73.55
	-1.00%	-1.00%	(41.81)	(66.33)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous years.

(vi) The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	9.58	14.26
Between 2 and 5 years	14.96	31.06
Beyond 5 years	44.32	58.86

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**45 Capital management**

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

In order to achieve this overall objective, the Group'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. There has been breach in the financial covenants of interest-bearing loans and borrowing in the current period by the Parent Company.

The Group manages its capital structure and makes adjustment, in light of changes in economic conditions or business requirements. The Group monitors capital using a gearing ratio which is net debt divided by total equity plus net debt as shown below

- Net debt includes borrowings (long term and short term) less cash and cash equivalents and
- Total equity comprises of issued share capital and all other equity components attributable to equity share holders

The gearing ratio at March 31, 2021 and March 31, 2020 are as follows.

	As at March 31, 2021	As at March 31, 2020
Non current borrowings (refer note 24)	2,405.20	2,196.37
Current borrowings (refer note 24)	7,440.47	8,428.01
Current maturities of long term debt (refer note 26)	61.54	123.08
<b>Total debt</b>	<b>9,907.21</b>	<b>10,747.46</b>
Cash and cash equivalents (refer note 18)	(32.91)	(118.68)
<b>Net debt (A)</b>	<b>9,874.30</b>	<b>10,628.78</b>
<b>Break up of equity</b>		
Equity share capital (refer note 21)	241.44	241.44
Other equity (refer note 22)	49.30	3,307.74
<b>Total Equity (B)</b>	<b>290.73</b>	<b>3,549.17</b>
<b>Total debt and equity (C) = (A) + (B)</b>	<b>10,165.03</b>	<b>14,177.95</b>
<b>Gearing ratio (A)/(C)</b>	<b>97.14%</b>	<b>74.97%</b>

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

**46 Fair value measurement**

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

	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>(i) The carrying value of financial assets by categories is as follows:</b>				
<b>Measured at cost</b>				
Investments	1.37	0.95	1.37	0.95
	<b>1.37</b>	<b>0.95</b>	<b>1.37</b>	<b>0.95</b>
<b>Measured at amortised cost</b>				
Loans	-	-	-	-
Others financial assets	967.70	2,481.96	967.70	2,481.96
Trade receivables	1,384.01	1,782.11	1,384.01	1,782.11
Cash and cash equivalents	32.91	118.68	32.91	118.68
Bank balance other than Cash and cash equivalents	1.04	1.02	1.04	1.02
	<b>2,385.66</b>	<b>4,383.77</b>	<b>2,385.66</b>	<b>4,383.77</b>
<b>Total financial assets</b>	<b>2,387.03</b>	<b>4,384.72</b>	<b>2,387.03</b>	<b>4,384.72</b>
<b>(ii) The carrying value of financial liability by categories is as follows:</b>				
<b>Measured at amortised cost</b>				
Borrowings	9,907.21	10,747.46	9,907.21	10,747.46
Lease liabilities	807.22	1,970.42	807.22	1,970.42
Other financial liabilities	1,803.89	1,197.10	1,803.89	1,197.10
Trade payables	3,203.02	3,088.52	3,203.02	3,088.52
	<b>15,721.34</b>	<b>17,003.50</b>	<b>15,721.34</b>	<b>17,003.50</b>
<b>Total financial liabilities</b>	<b>15,721.34</b>	<b>17,003.50</b>	<b>15,721.34</b>	<b>17,003.50</b>

The fair value of the 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.



## 46 Fair value measurement (continued)

## (iii) Fair value hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of financial assets and liabilities of the Group as at March 31, 2021 and March 31, 2020:

## Quantitative disclosure fair value measurement hierarchy as at March 31, 2021

	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying value
<b>Measured at cost</b>					
Quoted equity shares	31-Mar-21	1.37	-	-	1.37
<b>Assets measured at amortised cost</b>					
Others financial assets	31-Mar-21	-	-	967.70	967.70
Trade receivables	31-Mar-21	-	-	1,384.01	1,384.01
Cash and cash equivalents	31-Mar-21	-	-	32.91	32.91
Bank balance other than Cash and cash equivalents	31-Mar-21	-	-	1.04	1.04
		1.37	-	2,385.66	2,387.03
<b>Liabilities measured at amortised cost</b>					
Borrowings	31-Mar-21	-	-	9,907.21	9,907.21
Lease liabilities	31-Mar-21	-	-	807.22	807.22
Trade payables	31-Mar-21	-	-	1,803.89	1,803.89
Other financial liabilities	31-Mar-21	-	-	3,203.02	3,203.02
		-	-	15,721.34	15,721.34

## Quantitative disclosure fair value measurement hierarchy as at March 31, 2020

	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying value
<b>Measured at cost</b>					
Quoted equity shares	31-Mar-20	0.95	-	-	0.95
<b>Assets measured at amortised cost</b>					
Others financial assets	31-Mar-20	-	-	2,481.96	2,481.96
Trade receivables	31-Mar-20	-	-	1,782.11	1,782.11
Cash and cash equivalents	31-Mar-20	-	-	118.68	118.68
Bank balance other than Cash and cash equivalents	31-Mar-20	-	-	1.02	1.02
		0.95	-	4,383.77	4,384.72
<b>Liabilities measured at amortised cost</b>					
Borrowings	31-Mar-20	-	-	10,747.46	10,747.46
Lease liabilities	31-Mar-20	-	-	1,970.42	1,970.42
Trade payables	31-Mar-20	-	-	1,197.10	1,197.10
Other financial liabilities	31-Mar-20	-	-	3,088.52	3,088.52
		-	-	17,003.50	17,003.50

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such financial assets.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.





The Group's principal financial liabilities comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets comprises of trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's everyday activities expose it to market risk (which covers mostly interest rate risks), credit risk and liquidity risk. The objective of financial risk management in the Group is to minimize the impact of market factors mainly interest rates.

Financial Risk is closely monitored by the Group CFO as well as Centralized treasury team of the Holding Company and critical developments if any, are updated to the CFO of the Holding Company and the Board.

**(A) Market risks**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to interest rates and equity prices.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's borrowing comprises loan from the Holding Company and debt portion of compound financial instrument which carries a fixed rate of interest, which do not expose it to interest rate risk. However loan from bank (cash credit, working capital demand loan and buyer's credit) has a floating interest rate, exposing it to the interest rate risk.

**(a) Interest rate risk exposure**

The exposure of the Group's borrowing to interest rate changes at the end of the year are as follows:

	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings (including INR 61.54 lakhs (March 31, 2020 INR 123.08 lakhs) included in other financial liabilities)	1,060.52	1,370.63
<b>Total borrowings</b>	<b>1,060.52</b>	<b>1,370.63</b>

**(b) Interest rate risk management:**

The Group is exposed to interest rate risk because the Group borrows funds at floating interest rates. CFO monitors closely the Group's funding requirements at better interest rates. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**(c) Interest rate risk sensitivity:**

The sensitivity analysis below have been determined based on the exposure to interest rates for non- derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit or loss. A positive is decrease in loss/increase in equity and negative is increase in loss/decrease in equity.

	As at March 31, 2021		As at March 31, 2020	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on loan from banks	(5.30)	5.30	(6.85)	6.85

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**(ii) Foreign Currency risk**

The Group has not entered into foreign currency transactions for the period covered by these consolidated financial statements. Accordingly the Group has no exposure to foreign exchange gain and losses on its consolidated financial position, performance and cash flows.

**B Credit risk**

**(a) Exposures to credit risk:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

**(b) Credit risk management**

The Group has adopted a policy of only dealing with creditworthy counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group does not have significant credit risk exposure to any single counterparty.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**(c) Collateral held as security and other credit enhancements**

The Group accepts deposit from its franchisee customers to cover its credit risks associated with its financial assets.

**(d) Expected credit loss**

The average credit period on sales of goods is 0 to 30 days. No interest is charged on trade receivables.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:



0 Financial risk management objectives(continued)

B Credit risk (continued)

(d) Expected credit loss (continued)

(i) The provision matrix at the end of the reporting period is as follows:

	Within credit period	1-90 days past dues	90-120 days past dues	121-150 days past dues	151-180 days past dues	More than 180 days past dues
Expected credit loss (%)	0%	0%	10%	25%	50%	100%

(ii) Ageing of trade receivable

	1-90 days	91-120 days	121-150 days	151-180 days	More than 180 days	Total
<b>As at March 31, 2021</b>						
Trade receivables	721.38	135.34	60.45	87.85	1,003.76	2,008.79
Allowance for expected loss	-	(2.08)	(1.37)	(4.39)	(616.95)	(624.78)
<b>Net Trade receivables</b>	<b>721.38</b>	<b>133.27</b>	<b>59.08</b>	<b>83.46</b>	<b>386.82</b>	<b>1,384.01</b>
<b>As at March 31, 2020</b>						
Trade receivables	1,166.72	108.48	81.01	58.55	773.02	2,187.78
Allowance for expected loss	-	(2.33)	(5.98)	(18.87)	(378.49)	(405.67)
<b>Net Trade receivables</b>	<b>1,166.72</b>	<b>106.15</b>	<b>75.03</b>	<b>39.68</b>	<b>394.53</b>	<b>1,782.11</b>

The expected credit loss is computed on the credit risk of trade receivables after adjusting the security deposits received from franchise stores.

(iii) Movement in the credit loss allowance

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	(405.67)	(365.67)
Additions during the year	(219.11)	(40.00)
Bad debts written off	-	-
<b>Balance at the end of the year</b>	<b>(624.78)</b>	<b>(405.67)</b>

The concentration of credit risk is limited due to the fact that the customer base is large.

(C) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

(a) Liquidity and interest risk tables

(i) Financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Lease Liabilities	-	19.85	64.30	471.23	759.12	1,314.50
Borrowings*	7,440.47	-	-	-	-	7,440.47
Trade payables	3,203.02	-	-	-	-	3,203.02
Other financial liabilities	1,783.67	30.77	30.77	-	-	1,845.21
As at March 31, 2020	On demand	Less than 3 months	Less than 1 year	1 to 5 years	Above 5 years	Total
Lease Liabilities	108.36	65.99	205.77	1,077.95	2,009.76	3,467.83
Borrowings*	8,428.01	-	-	61.54	-	8,489.55
Trade payables	3,088.52	-	-	-	-	3,088.52
Other financial liabilities	1,179.14	30.77	92.31	-	-	1,302.22

\* Borrowings are shown excluding interest amount.





**The Nilgiri Dairy Farm Private Limited**

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(All amounts in INR lakhs, unless otherwise stated)

**48 Related party transactions**

**(i) Names of related parties where control exists:**

Holding Company

Future Consumer Limited

**(ii) Names of other related parties with whom transactions have taken place during the year :**

Fellow subsidiary

Aadhaar Wholesale Trading and Distribution Limited

Fellow subsidiary

Integrated Food Park Limited (Formerly known as Integrated Food Park Private

Joint Venture of Holding Company

Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)

Joint Venture of Holding Company

Hain Future Natural Products Private Limited

Joint Venture of Holding Company

MNS Foods Limited (Formerly known as MNS Foods Private Limited)

Joint Venture of Holding Company

Fonterra Future Dairy Private Limited

**(iii) Key management personnel**

Director

B S Jagadish

Director (upto September 25, 2020)

Pankaj Khemka

Director (w.e.f January 30, 2019)

Jude Savio Linhares

Director

Adhiraj Anil Harish

KMP of holding Company

Kishore Biyani

Relative of KMP of holding Company

Vijay Biyani

**(iv) Entities controlled/ having significant influence by KMP of Holding Company**

Entities controlled/ having significant influence by KMP of Holding Company

Future Retail Limited

Entities controlled/ having significant influence by KMP of Holding Company

Future Corporate Resources Private Limited (Previously known as Suhani Trading & Investment Consultants Private Limited)

**(v) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year :**

Chief Financial Officer (upto September 6, 2019)

Manoj Kumar Agarwal

Chief Financial Officer (w.e.f December 6, 2019 upto February 28, 2021)

Nipun Kumar Sundarka

Company Secretary (upto May 22, 2019)

Daksh Bajaj

Company Secretary (from November 5, 2019 to January 31, 2020)

Shweta Agarwal Sarkari

Company Secretary (w.e.f February 24, 2020)

Tanmay Bhat

**(A) Transactions entered into with related parties during the year and balances as at the year end are as follows:**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(i) Sales of goods</b>		
Future Retail Limited	886.99	3,146.58
Future Consumer Limited	250.23	570.95
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	9.05	-
Aadhaar Wholesale Trading and Distribution Limited	-	1.14
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	0.25	0.17
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	0.75	0.67
<b>(ii) Purchase of goods</b>		
Future Consumer Limited	2,073.14	5,254.60
Hain Future Natural Products Private Limited	0.86	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	0.15	-
<b>(iii) Rent expense</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	57.29	79.59
Vijay Biyani**	-	78.00
<b>(iv) Other Expenses</b>		
Future Retail Limited	3.84	-
<b>(v) Rent income</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	4.50	-
<b>(vi) Franchisee fees</b>		
Future Retail Limited	-	38.04
<b>(vii) Interest on debt component of Preference shares</b>		
Future Consumer Limited*	270.37	240.59
<b>(viii) Interest on loan from related parties</b>		
Future Consumer Limited	895.57	810.56



The Nilgiri Dairy Farm Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2021

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48 Related Party Disclosure (continued)

(A) Transactions entered into with related parties during the year and balances as at the year end are as follows: (continued)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(ix) Expense incurred by the related party on behalf of the Company and reimbursed to the related party		
(a) Electricity expenses		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	10.80	4.50
(b) Repairs and maintenance - Plant and Machinery		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	0.27
(c) Sale of Property, plant and equipment		
Future Corporate Resources Private Limited (Previously known as Suhani Trading & Investment Consultants Private Limited)	-	321.13
(d) Salaries, wages and bonus		
Future Retail Limited	-	5.72
(x) Expense incurred by the Company on behalf of the related party and reimbursed by the related party		
(a) Staff Welfare Expenses		
Future Consumer Limited	-	4.59
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	0.91
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	0.28
(b) Rent		
Future Corporate Resources Private Limited (Previously known as Suhani Trading & Investment Consultants Private Limited)**	-	78.00
(c) Consumables and packing material		
Future Consumer Limited	-	5.50
(d) Electricity expenses		
Future Consumer Limited	-	3.96
(e) Warehousing and distribution expenses		
Future Consumer Limited	-	18.77
(f) Advertisement, publicity and selling expenses		
Future Corporate Resources Private Limited (Previously known as Suhani Trading & Investment Consultants Private Limited)	-	35.41
(g) Repairs and maintenance		
Future Consumer Limited	-	0.69
(h) Miscellaneous expenses		
Future Corporate Resources Private Limited (Previously known as Suhani Trading & Investment Consultants Private Limited)	-	11.86
Future Consumer Limited	-	0.45
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	0.56
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	0.03
(xi) Sales Promotion Expenses		
Future Retail Limited	42.29	-
(xii) ICD loan received & repaid		
Future Consumer Limited-ICD loan received	200.00	7,242.00
Future Consumer Limited-ICD loan repaid	1,000.51	5,069.00

\* Represents unwinding of discount consequent to Ind AS adjustment.

\*\* Rent expense disclosed in the statement of profit and loss account is net of INR Nil (March 31, 2020: INR 78 lakhs) recovered from Future Corporate Resources Private Limited.

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The Nilgiri Dairy Farm Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2021  
(All amounts in INR lakhs, unless otherwise stated)

48 Related Party Disclosure (continued)

(B) The balances receivable from and payable to related parties are as follows :

	As at March 31, 2021	As at March 31, 2020
(i) Trade receivables		
Future Retail Limited	574.37	446.91
Future Consumer Limited	145.96	183.18
Fonterra Future Dairy Private Limited	2.34	-
Aadhaar Wholesale Trading and Distribution Limited	-	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	0.81	0.51
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	12.13	2.25
(ii) Other receivables		
Future Consumer Limited	-	17.90
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	4.50	-
Future Corporate Resources Private Limited (Previously known as Suhani Trading & Investment Consultants Private Limited)	1,005.81	1,120.43
(iii) Trade payable		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	5.30
Future Consumer Limited	1,796.74	1,358.08
Future Retail Limited	-	0.72
Hain Future Natural Products Private Limited	3.29	-
(iv) Lease Liabilities		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	25.61
(v) Rent deposit		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	34.87
(vi) Loan payable (Intercompany deposits)		
Future Consumer Limited	6,397.49	7,242.00
(vii) Preference shares - Debt component		
Future Consumer Limited (refer note 24)	2,405.20	2,134.83
(viii) Interest payable		
Future Consumer Limited	1,045.45	399.02
(ix) Outstanding financial guarantee given		
Future Consumer Limited	15,000.00	15,000.00
(x) Outstanding financial guarantee received		
Future Consumer Limited*	1,060.52	1,370.63

\* Kishore Biyani has also given financial guarantee w.r.t same for an amount of INR 1,060.52 lakhs (31 March 2020 : INR 1,370.63 lakhs)

(xi) Freehold land & building of the Group with a net book value of INR 11,582.99 lakhs (March 2020 : INR 11,582.99 lakhs) are hypothecated to Catalyst Trusteeship Limited against non-convertible debentures (NCDs) issued and term loan taken by the Future Consumer Limited (the Holding Company). Refer note 20.

(C) Compensation to key managerial personnel

	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	12.13	39.67
Share-based payments	-	(230.97)

Note : The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits for the year ended March 31, 2021 as they are determined on an actuarial basis for the Group as a whole.

(D) Transactions with key managerial personnel

	For the year ended March 31, 2021	For the year ended March 31, 2020
Directors sitting fees	0.80	0.80

All the related party transactions entered during the period were in ordinary course of business and on arm's length basis. All the related party transactions are placed before the Audit Committee for review and approval.



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**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**49 Contingent liabilities and commitments**

**Contingent liabilities**

Claims against the Group not acknowledged as debts:

	As at March 31, 2021	As at March 31, 2020
Disputed Income tax demands - refer note (i) below	359.00	373.08
Disputed sales tax matters - refer note (ii) below	122.97	359.46
Disputed Central Excise demand - refer note (iii) below	16.15	16.15
Legal claim contingency - refer note (iv) and (v) below	40.00	40.00
Outstanding financial guarantee given - refer note (vi) below	15,000.00	15,000.00

**Commitments**

Estimate amount of contract remaining to be executed on capital account and not provided for

**Notes:**

- (i) Claims against the Group not acknowledged as debts include demand from the Indian Income tax authorities for the payment of income tax of INR 437.50 lakhs against which the company has created the provision of INR 78.50 lakhs (March 31, 2020 : INR 451.58 lakhs against which the company has created the provision of INR 78.50 lakhs) relating to Assessment Years 2007-08, 2008-09, 2009-10, 2010-11 and 2013-14 as mentioned below in (a) and (b).
- (a) Income Tax Appellate Tribunal has upheld the demand raised for Assessment Years 2007-08, 2008-09 and 2009-10 totalling to INR 50.48 lakhs (March 31, 2020: INR 50.48 lakhs) in relation to payments made to a Singapore resident towards consultancy charges and held that the payments partake the character of fees for technical services both under the Income tax Act and the India-Singapore Treaty, and accordingly, are liable for deduction of withholding taxes. During the year ended 31 March, 2015 the Company paid INR 15.00 lakhs and balance amount of INR 35.48 lakhs during the year ended March 31, 2017 under protest and filed an Appeal with the High Court of Karnataka.
- (b) Further, Income Tax demand has been raised against the Company for Assessment Years 2007-08, 2009-10, 2010-11, 2013-14 and 2014-15 totalling to INR 437.00 lakhs (March 31, 2019: INR 401.10 lakhs) on disallowance of certain expenses and disallowances under section 40(a)(i) for non-deduction of taxes on payment of fees for consultancy services to a non-resident and disallowance of prior period expenses. Against the said demand, tax authorities have adjusted refund due to the Company of INR 104.76 lakhs of AY 2008-09 and 2012-13 against the Income Tax demand for AY 2007-08 and 2010-11. The Company has paid INR 5.00 lakhs under protest against the demand for AY 2010-11 during the year ended March 31, 2017. The matter is pending before High Court for AY 2007-08 and ITAR for AY 2010-11. The matter is pending before Commissioner of Income Tax (Appeal) for AY 2013-14 & CIT (Appeals) for AY. 2014-15.

- (ii) Claims against the Group not acknowledged as debts include demand from the Sales Tax authorities are as follows :

The Group had received demand notice along with order under Central Sales Tax Act, 1956 for INR 76.11 lakhs (March 31, 2020 : INR 64.72 lakhs) for non submission of F and C forms.

The Group has received notice u/s 9(2) of CST Act read with section 36(1) of KVAT Act 2003 dated March 3, 2020 for FY 2015-16 wherein a demand for INR 292.18 lakhs along with interest and penalty imposed due to non-submission of books, registers, forms, invoices etc. The Group has submitted the documents post year end. The cases are pending before Assistant Commissioner of Commercial taxes.

The Group received demand notice along with order under Central Sales Tax Act, 1956 for INR 2.56 lakhs for non submission of C forms. The Group has filed the request letter to rectify the said order on March 06, 2017.

The Group is contesting the above mentioned demands and the Management believes that its position will likely be upheld in the appellate process. The Management believes that the outcome of these proceedings will not have material adverse effect on the Group's financial position and results of operations.





**49 Contingent liabilities and commitments (continued)**

- (iii) Claims against the Group not acknowledged as debts include demand from the Commissioner of Central Excise for the payment of excise duty and education cess of INR 16.15 lakhs (March 31, 2020 : INR 16.15 lakhs). The Group has preferred an appeal with CESTAT authorities and the case is pending with the same.
- (iv) The Group has received notice in the earlier year from one of the franchisees and has filed an appeal with the High Court against the decision of Sessions Court. It has also deposited INR 20 Lakhs under protest with the Honourable High Court of Karnataka. The Group believes basis discussion with its external legal counsel, the Group is confident of the positive outcome for the above appeal filed with the High Court, accordingly no provision has been created in books.
- (v) The Group is involved in two legal disputes with its franchisees for commercial matters that have arisen over a period of time. These issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is difficult to ascertain. Consequently, for one of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of these disputes. The Group is contesting these disputes and the Management has made provision of INR 35 lakhs (March 31, 2020: INR 35.00 lakhs) for one of these matters where it is probable that a loss might be incurred. The Group's Management believes that outcome of these disputes would not have a material impact on the Group's financial position and hence the provision for the same has not been provided for in the books except for one matter.
- (vi) The Group has hypothecated its freehold land and building, permanent furniture, fixtures, plant and machinery to Catalyst Trusteeship Limited against Non-convertible debentures (NCD) issued and term loan taken by Future Consumer Limited (the Holding Company) amounting to INR 15,000 lakhs (March 31, 2020: INR 15,000.00 lakhs).
- (vii) The Supreme Court of India in a judgment on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. The group determined that they had not previously included such components in basic salary. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Group will update its provision, on receiving further clarity on the subject.
- (viii) The Group is involved in certain legal disputes with some of its franchisees and certain employees for commercial and other matters that have arisen from time to time. A number of these claims/ disputes relate to recovery of arrears of rent, damages claimed by franchisees etc. on termination of the franchisee agreement. These matters which are presently in different stages of legal proceedings are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss are difficult to ascertain. Consequently, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of these disputes. The Group is contesting these claims/disputes and the Management has made provisions wherever it is probable that a loss might be incurred. The Group's Management believes that outcome of these disputes would not have a material impact on the Group's financial position and that the existing provision of INR 49.00 lakhs (March 31, 2020: INR 49.00 lakhs) is sufficient to cover any outflows arising from unfavourable outcomes.
- (ix) The Payment of Bonus (Amendment) Act, 2015 passed on December 31, 2015 is effective retrospectively from April 1, 2014. However, the Hon'ble High Courts in Kerala and Karnataka have granted stay orders for retrospective application of amendment for the year 2014-15 till the matter is adjudicated finally. The Group has considered these stay orders and not provided for a liability of INR 41.00 lakhs (March 31, 2020: INR 41.00 lakhs) in its consolidated financial statements.

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

(All amounts in INR lakhs, unless otherwise stated)

**50 Share based payments**

**(a) Details of the employee share based plan of the Group**

The ESOP scheme titled "Future Consumer Limited - Employee Stock Option Plan 2014" was approved by the Shareholders of Holding Company "Future Consumer Limited" vide resolution passed at the Extra Ordinary General Meeting held on January 12, 2015 and through postal ballot on May 12, 2015 in respect of grant of 31,950,000 options under primary route (ESOP 2014-Primary) and 79,800,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

In earlier years, the Nomination and Remuneration / Compensation Committee of Future Consumer Limited, at its meeting held on May 15, 2015, has granted 500,000 options under the ESOP 2014-Secondary to an employee of the Group under the secondary market route. Also committee held meeting on November 8, 2017 for grant of 1,000,000 options under the ESOP 2014-Secondary to a Director of the Group under the secondary market route. At the meeting held on August 12, 2016, 495,000 options were granted under the ESOP 2014-Primary to the director of the Group under the primary route. Further, in the previous year, the Nomination and Remuneration / Compensation Committee of Future Consumer Limited at its meeting held on August 14, 2017 has granted 3,00,000 options under the ESOP 2014- Secondary to an employee of the Company under secondary market route.

**(b) The following share-based payment arrangements were in existence during the current and prior years:**

Option scheme	Number of options granted	Grant date	Expiry date	Exercise price (INR)	Share Price at Grant date (INR)	Fair value at grant date (INR)
ESOP 2014-Secondary - Plan I	5,00,000	15-May-15	Refer note (i) below	Refer note (ii) below	11.20	7.05
ESOP 2014-Primary - Plan II	4,95,000	12-Aug-16	Refer note (i) below	Refer note (ii) below	21.50	21.40
ESOP 2014-Secondary - Plan III	3,00,000	14-Aug-17	Refer note (i) below	Refer note (ii) below	41.25	38.60
ESOP 2014-Secondary - Plan IV	10,00,000	08-Nov-17	Refer note (i) below	Refer note (ii) below	60.95	61.75

(i) The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

(ii) Market price of the Equity Share of the Holding Company as on the date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

(c) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year:

Inputs into the model	ESOP 2014-Secondary Plan I	ESOP 2014-Primary Plan II	ESOP 2014-Secondary Plan III	ESOP 2014-Secondary Plan IV
Grant date of options	15-May-15	12-Aug-16	14-Aug-17	08-Nov-17
Expected volatility (%)	38.68%	48.88%	38.68%	44.85%
Option life (Years)	4-6	4-6 years	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%
Risk-free interest rate (Average)	6.43% - 6.63%	7.12% to 7.25%	6.43% - 6.63%	6.67% - 6.88%

**(d) Share options exercised during the year :**

The following share options were exercised during the year:

Options scheme	For the year ended March 31 ,2021			For the year ended March 31 ,2020		
	Number exercised	Exercise date	Share price at exercise date (INR)	Number exercised	Exercise date	Share price at exercise date (INR)
ESOP 2014 Primary - Plan II	-	NA	-	-	NA	-





**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**50 Share based payments (continued)**

**(e) Movement in share options during the year :** The following reconciles the share options outstanding at the beginning and end of the period:

A reconciliation of share options outstanding at the beginning and at the end of the year is as follows:

	ESOP 2014- Secondary Plan I	ESOP 2014- Primary Plan II	ESOP 2014- Secondary Plan III	ESOP 2014- Secondary Plan IV
As at April 1, 2019	-	3,96,000	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
As at March 31, 2020	-	3,96,000	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
As at March 31, 2021	-	3,96,000	-	-

**(f) Share options outstanding at the end of the year :** The share options outstanding at the end of the year had a weighted average remaining contractual life of Nil (March 31, 2020: 864 days).

**(g) The expense recognised for employee services received**

Expense arising from equity settled share based payment transactions (refer note 35)

For the year ended March 31, 2021	For the year ended March 31, 2020
-	-230.97

**(h)** There were no modifications to the ESOP scheme.

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Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiaries

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**The Nilgiri Dairy Farm Private Limited**

**Notes to the consolidated financial statements for the year ended March 31, 2021**

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

**52 Segment reporting**

For the year ended March 31, 2021, the Management views the Group's operation as a single segment engaged in business of branding, manufacturing, processing, selling and distribution of "consumer products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

The Group does not have any revenue from export and it does not have any asset or liabilities outside India therefore only geographical segment is "India".

**53** During the previous year ended March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Group. The Group has been taking various precautionary measures to protect employees and their families from COVID-19. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of the assets. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates which may differ from that considered as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions.

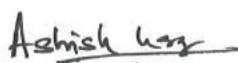
**54 Previous year comparatives**

Previous year's figures have been regrouped / reclassified wherever necessary, to confirm to this year's classification.

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As per our report of even date

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI firm registration no.: 101049W/E300004  
UDIN

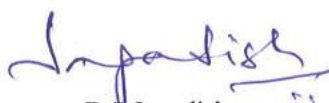


per Ashish Garg  
Partner  
Membership number: 063252

Place : Bengaluru  
Date : June 24, 2021

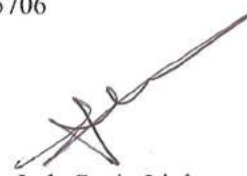


For and on behalf of the Board of Directors of  
The Nilgiri Dairy Farm Private Limited  
CIN: U85110MH1970PTC265706



B S Jagadish  
Director  
DIN: 06729556

Place : Bengaluru  
Date : June 24, 2021



Jude Savio Linhares  
Director  
DIN: 08314396

Place : Bengaluru  
Date : June 24, 2021



Abhay Arun Gaikar  
Company Secretary  
Membership number: A33494

Place : Bengaluru  
Date : June 24, 2021

