

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Keventer Agro Limited

### **Report on the Ind AS Financial Statements**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the Company as at March 31, 2020, its profit including Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

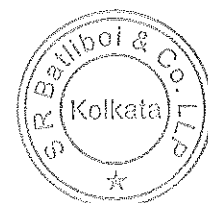
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements'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

### **Other Information**

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

Our opinion on the 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 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 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.



### **Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

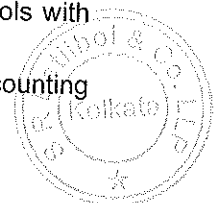
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



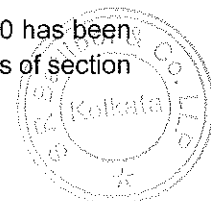
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the statement of other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



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


Chartered Accountants

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure - 2" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note xx to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per **Sanjay Agarwal**

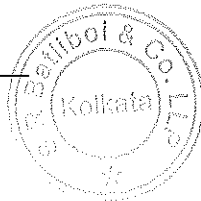
Partner

Membership Number: 055833

UDIN: 20055833AAAABA5833

Place of Signature: Kolkata

Date: October 07, 2020



**Annexure 1 to the Independent Auditors' Report (referred to in our report of even date to the members of Keventer Agro Limited as at and for the year ended 31st March 2020)**

- (i) (a) The Company has maintained proper records showing full, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipments have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the company, except as below.
- As explained to us, registration of title deeds is in progress in respect of the immovable properties acquired during the previous year aggregating Rs. 29 million.
  - The Company had acquired Freehold land of 30 acres in the year 1988-89 under a scheme of arrangement approved by the Honourable High Court at Calcutta, title deed of which is in the name of erstwhile entity and carrying value of same as at March 31, 2020 is Rs. 825 million.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to information and explanations given to us, there are no guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of section 186 of the Companies Act 2013 in respect of investments made and loan given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) Other than the matter reported in Clause vii(b) of the order, undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with appropriate authorities though there has been a slight delay in a few cases.

- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months:

Name of the statute	Nature of dues	Amount (Rs. in Million)	Period to which the amount relates (Financial Year)	Due Date	Date of Payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer's and Employee's contribution to Provident Fund	2.37	March 2019 to August 2019	15 <sup>th</sup> of the next month	Not paid

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows: -

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where dispute is pending
Bengal Public Demand Recovery Act' 1913	Cess including interest thereon	2.75	1992-93 to 1997-98	Hon'ble High Court, Calcutta
Income Tax Act 1961	Disallowances of certain deductions	25.64	2009-2010 to 2016-2017	CIT Appeals

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. Further, the Company did not have any outstanding dues to financial institution, government or debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer and debt instruments. Further, term loans were applied for the purpose for which the loans were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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

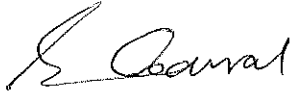
Chartered Accountants

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Agarwal

Partner

Membership Number: 055833

UDIN: 20055833AAAABA5833

Place: Kolkata

Date: October 07, 2020



**Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Keventer Agro Limited**

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

We have audited the internal financial controls over financial reporting of Keventer Agro Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the 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 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 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 Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.





**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjay Agarwal**

Partner

Membership Number: 055833

UDIN: 20055833AAAABA5833

Place of Signature: Kolkata

Date: October 07, 2020



**KEVENTER AGRO LIMITED**

Balance Sheet as at 31st March, 2020

(All amounts are in INR Million, unless otherwise stated)

	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	4,494.93	3,913.06
Capital Work-in-Progress	5	164.91	241.06
Intangible Assets	6	12.10	1.61
Intangible Asset under Development	7	7.13	7.72
<b>Financial Assets</b>			
-Investments	8	222.18	0.01
-Other Financial Assets	9	27.08	26.72
Deferred Tax Assets (Net)	10	32.50	-
Other Non-Current Assets	11	28.46	8.72
Non-Current Tax Assets (Net)		90.59	54.31
		<b>5,079.88</b>	<b>4,253.21</b>
<b>Current Assets</b>			
Inventories	12	1,045.79	816.97
Biological Assets other than Bearer Plants	13	0.20	0.06
<b>Financial Assets</b>			
-Investment	14	-	44.76
-Trade Receivables	15	475.81	428.42
-Cash and Cash Equivalents	16	84.80	564.61
-Other Bank Balances	17	1.56	0.37
-Loans	18	20.72	10.97
-Other Financial Assets	19	8.04	28.68
Other Current Assets	20	543.13	484.25
		<b>2,180.05</b>	<b>2,379.09</b>
		<b>7,259.93</b>	<b>6,632.30</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	21	131.13	131.13
Other Equity	22	1,654.01	1,623.30
<b>Total Equity</b>		<b>1,785.14</b>	<b>1,754.43</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
-Borrowings	23	3,091.43	3,015.55
-Other Financial Liabilities	24	66.19	25.34
Provisions	25	161.17	138.78
Deferred Tax Liabilities (Net)	10	-	1.91
Other Non-Current Liabilities	26	48.08	53.88
		<b>3,366.87</b>	<b>3,235.46</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
-Borrowings	27	740.08	659.48
-Trade Payables	28		
a) Total outstanding dues of Micro, Small and Medium enterprises		30.71	23.69
b) Total outstanding dues of other than Micro, Small and Medium enterprises		744.64	573.46
-Other Financial Liabilities	29	448.21	266.99
Other Current Liabilities	30	138.27	109.54
Provisions	31	6.01	9.25
		<b>2,107.92</b>	<b>1,642.41</b>
		<b>5,474.79</b>	<b>4,877.87</b>
<b>Total Liabilities</b>		<b>5,474.79</b>	<b>4,877.87</b>
<b>Total Equity &amp; Liabilities</b>		<b>7,259.93</b>	<b>6,632.30</b>

The accompanying notes form an integral part of the financial statements.  
As per our report of even date.

For S.R.Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

per Sanjay Agarwal  
Partner  
Membership No. 055833



For and on behalf of the Board of Directors

Mayank Jagan  
Chairman & Managing Director  
DIN No.- 00398842

Sanjay Gupta  
Sanjay Gupta  
Chief Financial Officer  
& Company Secretary

Sumit Deb  
Director  
DIN No.- 00524590



Place : Kolkata  
Date: 7th October 2020

**KEVENTER AGRO LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2020**

(All amounts are in INR Million, unless otherwise stated)

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	32	9,453.79	8,824.66
Other Income	33	131.19	27.07
<b>Total Income</b>		<b>9,584.98</b>	<b>8,851.73</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	34	5,532.68	4,363.76
Purchase of Traded Goods		1,394.65	1,396.99
Changes in Inventories of Finished Goods , Traded Goods and Work-in-Progress	35	(198.49)	372.71
Employee Benefits Expense	36	678.39	535.69
Finance Costs	37	248.90	253.00
Depreciation and Amortisation Expense	38	299.35	189.53
Other Expenses	39	1,612.70	1,588.44
<b>Total Expenses</b>		<b>9,568.18</b>	<b>8,700.12</b>
<b>Profit/(Loss) before exceptional item &amp; Tax</b>		<b>16.80</b>	<b>151.61</b>
Exceptional Item (Refer Note No. 41)		-	74.21
<b>Profit/(Loss) before Tax</b>		<b>16.80</b>	<b>77.40</b>
<b>Tax Expense:</b>			
-Current Tax (MAT Payable)		15.29	19.39
-Deferred Tax charge / (credit)		(32.68)	26.73
<b>Net tax expense/(credit)</b>		<b>(17.39)</b>	<b>46.12</b>
<b>Profit/(Loss) After Tax</b>		<b>34.19</b>	<b>31.28</b>
<b>Other Comprehensive Income/(loss) for the year</b>			
Items that will not be reclassified to profit or loss			
(a) Remeasurement gains/(losses) on defined benefit obligations		(5.22)	(0.83)
(b) Income tax effect on above		1.74	0.27
<b>Total Comprehensive Income for the year</b>		<b>30.71</b>	<b>30.72</b>
<b>Earnings per Equity Share (of Rs. 10/- each)</b>			
Basic (In Rs. per share)	40	2.61	2.39
Diluted (In Rs. per share)	40	(1.74)	2.39

The accompanying notes form an integral part of the financial statements.  
As per our report of even date.

**For S.R.Batilbhai & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

per *Sanjay Agarwal*  
Partner  
Membership No. 055833



Place : Kolkata  
Date: 7th October 2020

**For and on behalf of the Board of Directors**

*Mayank Jalan*  
Mayank Jalan  
Chairman & Managing Director  
DIN No.- 00598842

*Sanjay Gupta*  
Sanjay Gupta  
Chief Financial Officer  
& Company Secretary

*Sumit Deb*  
Sumit Deb  
Director  
DIN No.- 00524590



**KEVENTER AGRO LIMITED**
**Statement of Changes in Equity for the year ended 31 March, 2020**

(All amounts are in INR Million, unless otherwise stated)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	Amount in Millions	Number of Shares	Amount in Millions
Equity shares outstanding at the beginning of the year	1,31,13,232	131.13	1,31,13,232	131.13
Add: Fresh issue of shares during the year	-	-	-	-
Equity shares outstanding at the end of the year	1,31,13,232	131.13	1,31,13,232	131.13

**A. Equity Share Capital**

	As at 31st March, 2020	As at 31st March, 2019
<b>Issued, Subscribed and Paid-up:</b>		
1,31,13,232 (31st March 2019: 1,31,13,232) Equity shares of Rs. 10 each, fully paid up	131.13	131.13
	<u>131.13</u>	<u>131.13</u>

**B. Other Equity**

Particulars	Reserves and Surplus				Total
	Capital Reserves	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 31st March, 2018	53.70	292.03	30.00	1,819.50	2,195.23
Adjustment pursuant to Demerger (Refer Note No. 53)	-	(245.10)	-	(357.55)	(602.65)
Profit for the period	-	-	-	31.28	31.28
-Remeasurement of net defined liability / asset (net of tax)	-	-	-	(0.56)	(0.56)
Balance as at 31st March, 2019	53.70	46.93	30.00	1,492.67	1,623.30
Profit for the period	-	-	-	34.19	34.19
-Remeasurement of net defined liability / asset (net of tax)	-	-	-	(3.48)	(3.48)
Balance as at 31st March, 2020	53.70	46.93	30.00	1,523.38	1,654.01

**Capital Reserve**

Capital Reserve is created on Business Combination as per Statutory requirement.

**Securities Premium Reserve**

Securities Premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

**General reserve**

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Retained earnings**

Retained Earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution

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

As per our report of even date.

For S.R.Batliloi &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005



 per Sanjay Agarwal  
Partner  
Membership No. 055833

 Place : Kolkata  
Date: 7th October 2020

For and on behalf of the Board of Directors



 Mayan K. Jalan  
Chairman & Managing Director  
DIN No.- 00598842



 Sanjay Gupta  
Chief Financial Officer  
& Company Secretary



 Sumit Deb  
Director  
DIN No.- 00524590


**KEVENTER AGRO LIMITED**
**Statement of Cash flow for the year ended March 31, 2020**

(All amounts are in INR Million, unless otherwise stated)

	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	16.80	77.40
<b>Adjustments for:</b>		
Depreciation and amortization expenses	299.35	189.53
Interest Expenses	248.90	253.00
Unrealised foreign exchange loss / (gain)	5.91	4.12
Bad debts and Advances written off	2.03	7.53
Provision for doubtful debts and advances	2.13	22.53
Loss/(gain) on sale/discard of Property, Plant and Equipments (PPE) (net)	0.28	0.18
Gain on sale / fair valuation of Investments	(1.60)	(2.27)
Changes in Fair Valuation of Preference Shares (including derivative liability)	(89.03)	65.96
Biological Asset Valuation	(0.14)	0.16
Deferred Government Grant Income	(6.26)	(6.30)
Unspent liabilities / provisions no longer required written back	(3.00)	(5.35)
Interest Income	(25.56)	(6.09)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>449.81</b>	<b>600.40</b>
<b>Movements in working capital:</b>		
Increase/ (Decrease) in Trade Payable	168.49	(151.01)
Increase / (Decrease) in Provisions	13.93	7.09
Increase / (Decrease) in Other Current and Financial Liabilities	35.07	5.22
Decrease/ (Increase) in Trade Receivables	(38.41)	361.22
Decrease / (Increase) in Inventories	(228.83)	502.50
Increase / (Decrease) in Loans, Other Current and Financial assets	(47.86)	(42.71)
<b>Cash generated from / used in Operations</b>	<b>352.19</b>	<b>1,282.71</b>
Direct Taxes Paid (net of refunds)	(51.56)	(40.39)
<b>Net Cash flows from Operating Activities (A)</b>	<b>300.63</b>	<b>1,242.32</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment including Capital Work-in-Progress and Capital Advances	(828.95)	(1,099.25)
Proceeds from sale of Property, Plant and Equipment	4.65	6.97
Purchase of Investment	(206.50)	-
Sale of Investment	46.37	-
Proceeds / (Investment) of fixed deposits (net)	(1.19)	173.63
Interest Received	9.67	8.49
<b>Net Cash used in Investing Activities (B)</b>	<b>(975.95)</b>	<b>(910.16)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(243.22)	(289.22)
Payment of Lease liability	(9.36)	-
Proceeds from Long-term Borrowings	497.56	853.64
Repayment of Long-term Borrowings	(125.63)	(130.79)
Proceeds from Short-term Borrowings	636.96	319.24
Repayment of Short-term Borrowings	(560.80)	(872.04)
<b>Net Cash flows / (used in) Financing Activities (C)</b>	<b>195.51</b>	<b>(119.19)</b>



**KEVENTER AGRO LIMITED****Statement of Cash flow for the year ended March 31, 2020**

(All amounts are in INR Million, unless otherwise stated)

	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
<b>Net increase / (decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	(479.81)	212.97
<b>Cash and Cash Equivalents - at the beginning of the year</b>	564.61	351.64
<b>Cash and Cash Equivalents - at the end of the year</b>	84.80	564.61
<b>Components of Cash &amp; Cash Equivalents :</b>		
Cash on hand	10.45	4.26
Cheques in Hand	8.18	2.77
Balances with banks:		
On current accounts	66.17	170.98
On cash credit account	-	6.60
Deposits with original maturity of less than three months	-	380.00
<b>Total Cash and Cash Equivalents (Refer Note No. 16)</b>	<b>84.80</b>	<b>564.61</b>

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

As per our report of even date.

For and on behalf of the Board of Directors

For S.R.Batliboi &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

per Sanjay Agarwal

Partner

Membership No. 055833

Place : Kolkata

Date: 7th October 2020

Mayank Jalan  
Chairman & Managing Director  
DIN No.- 00598842Sanjay Gupta  
Chief Financial Officer  
& Company SecretarySumit Deb  
Director  
DIN No.- 00524590

## KEVENTER AGRO LIMITED

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

### 1. Corporate and General information

Keventer Agro Limited ('KAL' or 'the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of the registered office is 34/1, D.H. Road, Kolkata- 700027, West Bengal. The Company is engaged in processing, manufacturing and marketing of packaged foods such as packaged beverages, fruit juices, packaged drinking water in the brand name of "Frooti", "Appy", "Appy Fizz" and "Bailey" under franchisee agreement with Parle Agro Pvt. Ltd. The company is also engaged in the business of processing and marketing milk and milk products under the brand name "Metro Dairy". KAL is also engaged in procurement, ripening and distribution of Bananas. The Company has entered into ready-to-cook segment with its wide range of products like Green Peas, Sweet Corn, Chicken products, Veg value-added products, etc. The Company exports various value-added products like fruit pulp, sesame seeds, etc. The Company is also engaged in job work for manufacturing noodles.

### 2. Basis of Preparation

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other relevant provisions of the Act and other accounting principles generally accepted in India and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant III), as applicable to the financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements of the Company for the year ended 31st March, 2020 has been approved by the Board of Directors in their meeting held on October 7, 2020.

#### 2.2 Basis of Accounting

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value/amortised cost, derivative financial instruments measured at fair value and biological assets that are measured at fair value less cost to sell at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.



## KEVENTER AGRO LIMITED

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

### Functional and Presentation currency

The Financial Statements are presented in Indian Rupees, which is the functional currency of the company and the currency of the primary economic environment in which the company operates. All financial information presented in Rupees has been rounded off to the nearest rupees in Million with two decimal places.

### Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Revision to accounting estimates are recognized in the period in which the estimates are revised and future periods affected. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances. Information about significant judgements and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

**Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

**Useful lives of depreciable/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of property, plant and equipment.

**Classification of Leases:** The Company 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. The Company 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 Company has several lease contracts that include extension and termination options. It 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, it 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).

**Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

**Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

**Impairment of Financial Assets:** The company reviews its carrying amount of investments carried at amortised cost annually. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Allowance for Doubtful debts:** The company provides for doubtful debts based on a conservative provisioning policy as determined reasonable by the management. **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 then the fair values of such assets and liabilities are included at the amount 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.

**Fair Value of Biological Assets:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

### 2.3 Current versus non-current classification





## KEVENTER AGRO LIMITED

### Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

The company presents assets and liabilities in the balance sheet based on current/non-current classification as per the company's normal operating cycle and other criteria set out in the Schedule III to the Act, and Ind AS 1 (Presentation of Financial Statements). The company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. 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; or
- Held primarily for the purpose of trading; or
- 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.

Similarly, a liability is current when:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- 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.

All other liabilities are classified as non-current.

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

### 3. Summary of Significant Accounting Policies

#### 3.1 Revenue /Income recognition

##### Revenue from contract with customer

The company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition. Interest income is recognized using the effective interest rate (EIR) method.

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

##### Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.5 Financial instruments – initial recognition and subsequent measurement.



## KEVENTER AGRO LIMITED

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

### 3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period are capitalised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Expenditure incurred on new projects under implementation are carried forward as pre-operative expenditure to be allocated appropriately to fixed assets on completion of the projects.

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

Depreciation on property, plant and equipment is provided using the straight line method over the useful lives of the assets as estimated by the management. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. The estimated useful lives, residual value 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.

For the following class of assets, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Particulars of assets	Useful life as per management
Mobile Phone	3
Panel and other fixtures (Buildings)	5
Crates and Pallets	5
Freezers	5
Visi Cooler	3
Plant & Machinery	
- Tetra Pack A3 Complex Flex	13
- Filling Machine TBA/19	9

Vehicles under OYC scheme

Leasehold Improvements are amortized over the period of lease.

Individual property, plant and equipments costing less than Rs.0.005 million are depreciated in full in the year of acquisition.

Assets held under finance leases are depreciated/amortised over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of lease term, assets are depreciated over the shorter of lease term and their useful lives.

#### *Capital Work in Progress:*

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

#### *Disposal*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.



## KEVENTER AGRO LIMITED

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

### Bearer Plants

#### *Recognition and Measurement:*

Bearer Plants, comprising of mature banana trees are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any). Cost of bearer plants includes the cost of land development, cost of nursery, drainage, cultivation, fertilizers and agro-chemicals etc.

#### *Depreciation:*

Depreciation on bearer plants is recognized so as to write off its cost over useful lives, using the straight-line method. Estimated useful life of the bearer plants has been determined to be 2.5 years. The residual value in case of Bearer Plants has been considered as NIL. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

### 3.3 Intangible assets

Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured. Costs relating to acquisition of commercial rights and Software Development and Licence Fees are capitalized as Intangible assets.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives or 5 years, whichever is lower if any other method which reflects the pattern in which the asset's future economic benefit are expected to be consumed by the entity cannot be determined reliably. 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.

**Intangible Assets under Development:** Intangible Assets under development is stated at cost which includes expenses incurred in connection with their development in so far as such expenses relate to the period prior to their getting the assets ready for use.

### 3.4 Government Grants and subsidies

Government grants and subsidies are recognized at their fair value, where there is reasonable assurance that the grant/subsidy will be received and all attached conditions will be complied with.

When the grant/subsidy relates to an expense item, it is recognized as income in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to Property, Plant and Equipment is included in non-current liability as deferred income and is credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

### 3.5 Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

a) Segment revenue includes sales and other income directly identifiable with the segment including inter segment revenue.

b) Common allocable costs are inter-se allocated to segments based on the basis most relevant to the nature of the cost concerned. Revenue and expenses, which relate to the enterprise as a whole and not allocable to segment on a reasonable basis, are included under the head unallocated expense / income.



## **KEVENTER AGRO LIMITED**

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(All amounts are in Rupees Million, unless otherwise stated)

c) Income which relates to the company as a whole and not allocable to segments is included in unallocable income.

d) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

### **3.6 Earnings Per Share**

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

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

### **3.7 Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **3.8 Cash Flow Statements**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

### **3.9 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent Liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the company are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the financial statements.

Contingent asset usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized in the financial statements, the nature of such assets and an estimate of its financial effect are disclosed in notes to the financial statements.

### **3.10 Borrowing Costs**

Borrowing costs include interest expense calculated using the effective interest rate method, other costs incurred in connection with borrowing of funds and exchange differences to the extent regarded as an adjustment to the interest costs. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.



## KEVENTER AGRO LIMITED

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

### 3.11 Inventories

Inventories are valued as follows:

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### Raw materials, components, stores and spares:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Raw materials include unripened bananas whose cost is the fair value less cost to sell at the point of harvest of bananas.

#### Work-in-progress and finished goods:

Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Traded goods in stock are valued at lower of landed cost and net realizable value.

#### By Products:

Valued at net realisable value.

#### Development work-in-progress representing properties under construction:

Lower of cost and Net Realisable Value. Cost of construction or development includes all costs directly related to the Project and other expenditure as identified by the Management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries/receipts). Cost includes land (including development rights) acquisition cost, internal development costs, borrowing costs and external development charges. Cost of construction or development is charged to the Profit and Loss Account in proportion to the revenue recognised during the period and the balance is carried over under Inventory as part of Development Work-in-Progress or Finished Realty Stock.

Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads.

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

### 3.12 Biological Assets:

Biological Assets are measured at fair value less cost to sell with changes in fair value recognized in Statement of profit and loss.

Biological assets of the company comprise of un-harvested bananas that are classified as current biological assets. The company recognizes biological assets when, and only when, the company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.

### 3.13 Financial Instruments

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



## KEVENTER AGRO LIMITED

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

### Financial Assets

#### *Classification*

The company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

#### *Initial recognition and measurement*

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. Financial assets are recognised initially at fair value plus, in the case of financial assets not recognised at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets is dependent on initial categorisation. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

#### *Financial assets measured at amortised cost*

Financial assets are measured at amortised cost when 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. 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 statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### *Financial assets measured at fair value through other comprehensive income (FVTOCI)*

Financial assets are measured at FVTOCI when the objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and the asset's contractual cash flows represent SPPI. Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income.

#### *Financial assets measured at fair value through profit or loss (FVTPL)*

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

#### *Derecognition of financial assets*

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the company has transferred its rights to receive cash flows from the asset.

### Financial liabilities

#### *Classification*

The company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

#### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### *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



## KEVENTER AGRO LIMITED

### Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

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trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments". Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

#### ***Financial liabilities measured at amortised cost***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

#### ***Trade and other payables***

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

#### ***Financial guarantee contracts***

Financial guarantees issued by the company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### ***Embedded derivatives***

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

#### ***Derecognition of financial liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

#### **Offsetting of Financial Instruments**

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

### **3.14 Derivative financial instruments**

The company enters into a variety of derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated as hedging instrument.

### **3.15 Compound Financial Instruments:**



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(All amounts are in Rupees Million, unless otherwise stated)

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. 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. Any directly attributable transaction costs are allocated to liability and equity components in proportion to their initial carrying amounts. 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 re-measured subsequently.

Interest related to the financial liability is recognised in Statement of Profit and Loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

### **3.16 Impairment**

#### **Financial assets**

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

#### **Non-financial assets**

Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

### **3.17 Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company 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.

#### **Company as a lessee**

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

#### **Right-of-use assets**

The Company 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





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### **Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020**

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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.

#### **Lease Liabilities**

At the commencement date of the lease, the Company 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.

In calculating the present value of lease payments, the Company 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.

#### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (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 offices, godowns, equipment, etc. that are of 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.

#### **Company as a lessor**

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. Leases in which the Company 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.

### **3.18 Foreign currency transactions and translations**

Transactions in foreign currencies are translated to the functional currency of the company (i.e., INR) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date, except for those derivative balances that are within the scope of Ind AS 109 – “Financial Instruments”, are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are reported in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to interest costs are recognised in the Statement of Profit and Loss. Realised or unrealised gain in respect of the settlement or translation of borrowing is recognised as an adjustment to interest cost to the extent of the loss previously recognised as an adjustment to interest cost.

### **3.19 Employee benefits**

a) Employee benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans. The company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service. If the contribution payable to the scheme for services received before the balance sheet date exceeds the contribution already paid, the contribution payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund. There are no obligations other than the contribution payable to the respective trusts.



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### Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2020

(All amounts are in Rupees Million, unless otherwise stated)

b) Gratuity liability and Leave encashment liability are defined benefit plans. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

c) Remeasurements of the net defined benefit liability/asset comprise:

i) actuarial gains and losses;

ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset; and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

Remeasurements of net defined benefit liability/asset are charged or credited to other comprehensive income.

### 3.20 Taxes on Income

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In such cases, the tax is also recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax is the amount of tax payable on the taxable income for the year, determined in accordance with the provisions of the Income Tax Act, 1961.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

#### Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from 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.

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.

### 3.21 Changes in accounting policies and disclosures

There are no standards issued but not yet effective up to the date of issuance of the Company's financial statements.



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Notes to Financial Statements for the year ended 31 March 2020  
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**4. Property, Plant and Equipment**

Particulars	Right of Use Assets (Refer Note No. 49)	Freehold Land (Refer Note c,d)	Leasehold Land (Refer Note b)	Leasehold Improvements	Buildings (Refer Note b)	Plant and Equipment	Office Equipments	Furniture and Fixtures	Computers	Vehicles	Rearer Plant	Total
<b>Gross Carrying Amount</b>												
As at 31st March, 2018	-	953.06	878.73	62.41	634.41	1,754.44	57.04	38.05	7.05	22.33	0.83	4,408.35
Additions	-	-	18.55	2.08	243.55	719.66	37.41	8.03	2.79	8.76	0.21	1,041.04
Deductions	-	82.37	-	8.53	0.12	13.37	9.05	1.18	0.18	2.81	-	117.61
As at 31st March, 2019	-	870.69	897.28	55.96	877.84	2,460.73	85.40	44.90	9.66	28.28	1.04	5,331.78
As on 1st April 2019	42.00	-	-	-	-	-	-	-	-	-	-	42.00
Reclassified on account of Ind AS 116	897.28	-	897.28	-	-	-	-	-	-	-	-	-
Additions	1.85	-	-	2.16	62.70	737.91	28.93	1.45	2.18	6.16	-	843.34
Deductions	-	-	-	-	-	9.97	3.44	-	0.03	0.98	-	14.42
As at 31st March, 2020	941.13	870.69	-	58.12	940.54	3,188.67	110.89	46.35	11.81	33.46	1.04	6,202.70
<b>Accumulated Depreciation &amp; Amortisation</b>												
As at 31st March, 2018	-	-	23.16	10.83	135.67	1,010.41	37.83	22.13	4.17	11.85	0.17	1,256.22
Charge for the year	-	-	11.63	9.95	29.96	118.97	10.75	2.40	1.58	3.30	0.36	188.90
Disposals	-	-	-	7.08	0.11	8.27	8.40	0.65	0.16	1.73	-	26.40
As at 31st March, 2019	-	-	34.79	13.70	165.52	1,121.11	40.18	23.88	5.59	13.42	0.53	1,418.72
As on 1st April 2019	-	-	-	-	-	-	-	-	-	-	-	-
Reclassified on account of Ind AS 116	34.79	-	34.79	-	-	-	-	-	-	-	-	-
Charge for the year	19.71	-	-	9.46	35.78	205.32	18.99	3.00	2.29	3.66	0.32	298.53
Disposals	-	-	-	-	-	5.27	3.26	-	0.02	0.93	-	9.48
As at 31st March, 2020	54.50	-	-	23.16	201.30	1,321.16	55.91	26.88	7.86	16.15	0.85	1,707.77
<b>Net Carrying Amount</b>												
As at 31st March, 2020	886.63	870.69	-	34.96	739.24	1,867.51	54.98	19.47	3.95	17.31	0.19	4,494.93
As at 31st March, 2019	-	870.69	862.48	42.26	712.32	1,339.63	45.22	21.03	4.08	14.86	0.51	3,913.06

(a) Disclosure of Right of Use (ROU) Assets as per Ind AS 116: "Leases"

Particulars	ROU Land	ROU Building	Total
<b>Gross Carrying Amount</b>			
As at 1 April, 2019	-	42.00	42.00
Reclassification on account of Adoption of Ind AS 116	897.28	-	897.28
Addition	1.85	-	1.85
As at 31 March, 2020	899.13	42.00	941.13
<b>Accumulated depreciation</b>			
As at 1 April, 2019	-	-	-
Reclassification on account of Adoption of Ind AS 116	34.79	-	34.79
Charge for the year	11.77	7.94	19.71
As at 31 March, 2020	46.56	7.94	54.50
<b>Net Carrying Amount</b>			
As at 1 April, 2019	897.28	42.00	939.28
As at 31 March, 2020	852.57	34.06	886.63

(b) Registration of title deeds is in progress in respect of building acquired during the previous year amounting to Rs. 29.28 million (31st March 2019; Rs. 18.55 million for leasehold land and Rs. 29.83 million for building).

(c) The Company had acquired Freehold Land of Rs. 825 million (30 acres) in the year 1988-89 under a scheme of arrangement approved by the Hon'ble High Court at Calcutta, title deed of which is in the name of erstwhile entity.

(d) Pending legal transfer of the land and determination of compensation thereof, no adjustments have been made in the books for approximately 3 Acres of land handed over to the West Bengal State Electricity Distribution Company Limited earlier known as West Bengal State Electricity Board for the construction of 33 KVA substation.



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**5. Capital Work-in-Progress**

	As at 31st March, 2020	As at 31st March, 2019
Balance as at the beginning of the year	241.06	172.20
Add : Additions during the year	719.23	1,111.75
	<b>960.29</b>	<b>1,283.95</b>
Less : Capitalised during the year	794.50	971.09
Less: Deduction during the year	0.88	71.80
Balance as at the end of the year	<b>164.91</b>	<b>241.06</b>

5(a) Particulars	Building	Plant & Machinery	Others	Total
Opening Capital Work-in-Progress as on 31st March 2019	20.13	215.29	5.64	241.06
Addition	87.99	598.78	32.46	719.23
Deduction	-	0.88	-	0.88
Capitalisation	56.28	701.02	37.20	794.50
Closing Capital Work-in-Progress as on 31st March 2020	51.84	112.17	0.90	164.91

Deductions/adjustment of Rs. 0.88 million (31st March 2019 Rs. 71.80 million) represents CWIP which was not in use for past few years has been written off. Previous year figure relates to one of the subsidiary which has demerged into a resulting Company as explained in Note 53.

**6. Intangible assets**

Particulars	Software development and license fees
<b>Gross Carrying Amount</b>	
As at 31st March, 2018	22.74
Additions	-
Deductions	-
As at 31st March, 2019	22.74
Additions	11.31
Deductions	-
As at 31st March, 2020	34.05
<b>Accumulated Amortisation</b>	
As at 31st March, 2018	20.50
Charge for the year	0.63
Disposals	-
As at 31st March, 2019	21.13
Charge for the year	0.82
Disposals	-
As at 31st March, 2020	21.95
<b>Net Carrying Amount :</b>	
As at 31st March, 2020	12.10
As at 31st March, 2019	1.61

**7 Intangible Asset under Development**

	As at 31st March, 2020	As at 31st March, 2019
Software Development and license fees	7.13	7.72
	<b>7.13</b>	<b>7.72</b>



**KEVENTER AGRO LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

(All amounts are in INR Million, unless otherwise stated)

**8. Investments (at amortised cost)**

	As at 31st March, 2020	As at 31st March, 2019
<b>Investment in Government Securities (Unquoted)</b>		
National Savings Certificates (deposited with Sales Tax authorities)	0.01	0.01
<b>Investments in Debentures (Unquoted)</b>		
9% non convertible Debenture in GAMA Hospitality Limited (Refer Note No. 51) *	222.17	-
	<b>222.18</b>	<b>0.01</b>
<b>Aggregate amount of unquoted investments</b>	<b>222.18</b>	<b>0.01</b>

\* Investment in Debenture includes interest accrued of Rs. 15.67 million

**9. Other Non - Current Financial Assets**

	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	20.20	19.84
Other Advances*	10.00	10.00
Less: Allowance for Doubtful Advances	(3.12)	(3.12)
	<b>6.88</b>	<b>6.88</b>
	<b>27.08</b>	<b>26.72</b>

\* The Company had given Rs.10.00 million towards share application money in 2010-11 to a company for acquisition of business, against which the Company had filed a specific performance suit offering to pay the balance Rs.50.00 million of the agreed amount subject to delivery of the concerned assets. In terms of orders of Hon'ble High court at Calcutta, the Company had paid the balance amount of Rs. 50.00 million. However, based on the company's application, the court ordered the refund of Rs. 50.00 million which has been received by the company during the financial year 2015-16 and for balance amount, the matter is sub-judice and is yet to reach finality. Based on a legal opinion obtained, the Company expects this to be recoverable.

**10. Deferred Tax Assets/(Liabilities) (Net)**

	As at 31st March, 2020	As at 31st March, 2019
<b>(a) Deferred Tax Assets:</b>		
MAT Credit Entitlement	65.12	59.76
Tax impact on Expense Allowable in Future Years	103.00	60.91
Tax impact on Brought Forward Business Losses	70.66	24.43
<b>(b) Deferred Tax Liabilities:</b>		
Tax impact arising out of temporary differences in depreciable assets	198.28	145.25
Tax Impact of Taxable Future Income	8.00	1.75
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>32.50</b>	<b>(1.91)</b>



**KEVENTER AGRO LIMITED****Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

**11. Other Non-Current Assets**

	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	28.13	8.12
Prepaid Expenses	0.33	0.60
	<b>28.46</b>	<b>8.72</b>

**12. Inventories**

(at lower of cost and net realisable value)

	As at 31st March, 2020	As at 31st March, 2019
Raw Material*	243.78	247.05
Work In Progress	256.45	160.71
Finished goods*	193.81	99.64
Stock in Trade*	56.37	47.79
Stores, spares and consumables	95.46	74.75
Packing material*	199.92	187.03
	<b>1,045.79</b>	<b>816.97</b>

\*Including materials lying with third parties Rs. 212.86 million (31st March, 2019: Rs. 234.63 million) and goods in transit of Rs. 35.47 (31st March, 2019: Rs. Nil).

**13. Biological Assets other than Bearer Plants**

	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	0.06	0.22
Unharvested Banana Loom recognised at Fair Value	0.20	0.06
Processing & Sale of Banana Loom	(0.06)	(0.22)
Closing Balance	<b>0.20</b>	<b>0.06</b>

Unharvested Banana on trees as on 31st March, 2020 was 10,125 kgs (31st March, 2019 - 4,125 kgs)

**14. Current Investments**

	As at 31st March, 2020	As at 31st March, 2019
<b>Investments carried at fair value through the statement of profit and loss:</b>		
<b>Investments in Mutual Funds (Unquoted)</b>		
HDFC corporate debt opportunities fund -regular (growth)	-	22.99
Reliance dynamic bond fund (growth)	-	10.90
UTI dynamic bond fund (growth)	-	10.87
<b>Total</b>	<b>-</b>	<b>44.76</b>
Aggregate book value and market value of Unquoted investments	-	44.76



**KEVENTER AGRO LIMITED****Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

**15. Trade Receivables**

	As at 31st March, 2020	As at 31st March, 2019
<b>Trade Receivables</b>		
- Receivables from Related Parties	0.38	0.02
- Others	475.43	428.40
	<u>475.81</u>	<u>428.42</u>
<b>Break-up of Security Details:</b>		
Secured, Considered good	4.33	1.60
Unsecured, Considered good	471.48	426.82
Credit Impaired	27.61	33.91
	<u>503.42</u>	<u>462.33</u>
Impairment Allowance	(27.61)	(33.91)
	<u>475.81</u>	<u>428.42</u>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer Note 51. Trade Receivables are generally on terms of 1 to 90 days.

**16. Cash and Cash Equivalents**

	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks:		
-In Current accounts	66.17	170.98
-In Cash credit account	-	6.60
-In fixed deposits with banks having original maturity of less than 3 months	-	380.00
Cheques on hand (including remittances in transit)	8.18	2.77
Cash on hand	10.45	4.26
Unpaid dividend account*	0	0
	<u>84.80</u>	<u>564.61</u>

\*Actual amount of unpaid dividend account : Rs. 12/- (March 31, 2019: Rs. 73/-)



**KEVENTER AGRO LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

(All amounts are in INR Million, unless otherwise stated)

**17. Other Bank Balances**

	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposit with Banks with original maturity of more than 3 months but less than 12 months*	1.56	0.37
	<b>1.56</b>	<b>0.37</b>

\* Includes Rs. 1.50 million (31st March, 2019: Rs. 0.20 million) pledged with various banks as margin money.

**18. Loans**

	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered good</b>		
Loan to Employee Cooperative Society	0.53	0.53
Loan to Employees	20.19	10.44
	<b>20.72</b>	<b>10.97</b>

**19. Other Financial Assets**

	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered good</b>		
Security Deposits	5.68	3.90
Derivative instruments at fair value through profit or loss	-	0.18
Interest Accrued on loans, deposits etc.	1.06	0.85
Others	1.30	23.75
	<b>8.04</b>	<b>28.68</b>

**20. Other Current Assets**

	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered good, unless otherwise stated</b>		
Advances Recoverable in cash or kind		
-Considered good	258.90	237.50
-Considered doubtful	9.05	8.71
Provision for Doubtful Advances	(9.05)	(8.71)
	<b>258.90</b>	<b>237.50</b>
Security Deposits	3.83	3.45
Balances with Government Authorities	220.77	201.24
Export Incentives Receivable	41.96	24.98
Prepaid Expenses	17.67	17.08
	<b>543.13</b>	<b>484.25</b>





**KEVENTER AGRO LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

(All amounts are in INR Million, unless otherwise stated)

**21. Share Capital**

	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised:</b>		
<b>Equity Shares:</b>		
3,79,30,000 (31st March 2019: 2,19,30,000) Equity shares of Rs. 10/- each	379.30	219.30
<b>Preference Shares:</b>		
5,00,000 (31st March 2019: 5,00,000) Preference shares of Rs. 100/- each	50.00	50.00
	<b>429.30</b>	<b>269.30</b>
<b>Issued, Subscribed and Paid-up:</b>		
1,31,13,232 (31st March 2019: 1,31,13,232) Equity shares of Rs. 10 each, fully paid up	131.13	131.13
	<b>131.13</b>	<b>131.13</b>

**(a) Reconciliation of the Number of Equity Shares outstanding**

Equity Shares	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	1,31,13,232	131.13	1,31,13,232	131.13
Add: Issued during the year	-	-	-	-
Equity Shares Outstanding at the end of the year	<b>1,31,13,232</b>	<b>131.13</b>	<b>1,31,13,232</b>	<b>131.13</b>

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

The Company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.

**(c) Details of Equity Shareholders holding more than 5% of the equity shares**

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
MKJ Enterprises Limited	51,46,473	39.25%	51,46,473	39.25%
M K J Developers Limited	19,05,200	14.53%	19,05,200	14.53%
Mayank Jalan	12,45,218	9.50%	12,45,218	9.50%
Edward Keventer Private Limited	11,60,416	8.85%	11,60,416	8.85%
Keventer Capital Limited	9,51,048	7.25%	9,51,048	7.25%
Mandala Swede SPV	8,07,993	6.16%	8,07,993	6.16%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

(d) The company has not allotted any ordinary shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceeding the date at which the Balance Sheet is prepared.

(e) The Company does not have any Holding Company or Ultimate Holding Company.

(f) No calls are unpaid by any Director or Officer of the company during the year.



**KEVENTER AGRO LIMITED****Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

<b>22. Other Equity</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>Retained Earnings</b>		
Opening Balance	1,492.67	1,819.50
Add: Profit for the period as per Statement of Profit & Loss	34.19	31.28
Add/(Less): Adjustment pursuant to Demerger (Refer Note No. 53)	-	(357.55)
Add/(Less): Other Comprehensive Income (net of taxes)	(3.48)	(0.56)
Closing Balance	<b>1,523.38</b>	<b>1,492.67</b>
<b>General Reserve</b>		
Opening Balance	30.00	30.00
Closing Balance	<b>30.00</b>	<b>30.00</b>
<b>Securities Premium Reserve</b>		
Opening Balance	46.93	292.03
Add/(Less): Adjustment pursuant to Demerger (Refer Note No. 53)	-	(245.10)
Closing Balance	<b>46.93</b>	<b>46.93</b>
<b>Capital Reserve</b>		
Opening Balance	53.70	53.70
Closing Balance	<b>53.70</b>	<b>53.70</b>
	<b>1,654.01</b>	<b>1,623.30</b>

**Capital Reserve**

Capital Reserve is created on Business Combination as per Statutory requirement.

**Securities Premium Reserve**

Securities Premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act,

**General reserve**

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Retained earnings**

Retained Earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution paid to shareholders.



**KEVENTER AGRO LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

(All amounts are in INR Million, unless otherwise stated)

**23. Non-Current Borrowings (at amortised cost)**

	As at 31st March, 2020	As at 31st March, 2019
<b>Secured</b>		
Term Loans from banks (Refer Note No. 23.1)	1,754.49	1,378.36
Vehicle Loan from a Bank (Refer Note No. 23.3)	10.35	7.17
Deferred Payment Credit from a supplier (Refer Note No. 23.2)	20.89	39.84
<b>Unsecured</b>		
0.01% Cumulative Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each (Refer Note No. 23.4)	1,634.00	1,723.03
<b>Total Borrowings</b>	<b>3,419.73</b>	<b>3,148.40</b>
<b>Less: Current Maturities - disclosed under the head Other Financial Liabilities</b>		
Term Loan from Banks	303.58	110.97
Deferred Payment Credit	20.89	18.96
Vehicle Loan from a Bank	3.83	2.92
	<b>(328.30)</b>	<b>(132.85)</b>
<b>Total Non-Current Borrowings</b>	<b>3,091.43</b>	<b>3,015.55</b>

**23.1 Details of securities provided (including for current maturities as stated under "Current Liabilities - Other Financial Liabilities" in Note No. 29) and their repayment terms :**

- (a) Term loan aggregating Rs. 16.44 million (31st March, 2019: Rs. 32.89 million) is secured by way of first pari-passu charge over all the fixed assets of the company (excluding fixed assets of Dairy Division and except those exclusively charged to the lenders for securing vehicle loans and equipment loans) both present and future.

First pari passu charge over the cash flow in respect of rent receivables from a party. Second pari-passu charge over current assets of the company excluding cash flows in respect of rent receivables from a party.

- (b) Term loan aggregating to Rs. 11.25 million (31st March, 2019: 16.41 million) is secured by way of first pari-passu charge over all the fixed assets of the company (excluding fixed assets of Dairy Division and except those exclusively charged to the lenders for securing vehicle loans and equipment loans) both present and future.

First pari passu charge over the cash flow in respect of rent receivables from a party. Second pari-passu charge over current assets of the company excluding cash flows in respect of rent receivables from a party.

- (c) Term Loan aggregating Rs. 500 million (31st March, 2019: Rs. 343.35) is secured by way of First pari-passu charge over all the fixed assets of the company (excluding fixed assets of Dairy Division and except those exclusively charged to the lenders for securing vehicle loans and equipment loans) both present and future. Second pari passu charge over the current assets of the company.

- (d) Term Loan aggregating Rs. 400 million (31st March, 2019: Rs. 478.17 million) is secured by way of first pari-passu charge over all the fixed assets of the company (excluding fixed assets of Dairy Division and except those exclusively charged to the lenders for securing vehicle loans and equipment loans) both present and future.

First pari passu charge over the cash flow in respect of rent receivables from a party. Second pari-passu charge over current assets of the company excluding cash flows in respect of rent receivables from a party.

- (e) Term Loan aggregating Rs. 281.18 million (31st March, 2019: Rs. NIL) is secured by way of first pari-passu charge over all the fixed assets of the company (excluding fixed assets of Dairy Division and except those exclusively charged to the lenders for securing vehicle loans and equipment loans).  
Second pari-passu charge over current assets of the company.

- (f) Term loan aggregating to Rs. 275.00 million (31st March, 2019: 275.00 million) is secured by way of First Pari Passu charge by way of mortgage over the immovable fixed assets of dairy division (erstwhile Metro Dairy Limited) of the company (Except Malda Property), both present and future (except those exclusively charged to other lenders)

First pari passu charge by way of hypothecation over the moveable fixed assets of the company, both present and future (except those exclusively charged to other lenders)

- (g) Term loan aggregating Rs. 237.50 million (31st March, 2019: Rs. 250.00 million) is secured by way of First Pari Passu charge with the bank by way of registered mortgage of leasehold land admeasuring 58.77 acres approx. and the leasehold rights granted in favour of company by the Governor of the State of West Bengal and the building constructed thereon, situated at Barrackpur-Barasat link Road, Barasat, West Bengal.

First Pari Passu charge by way of registered mortgage of freehold land admeasuring 3.27 acres approx. and building constructed/to be constructed thereon situated at Barrackpur-Barasat link Road, Barasat, West Bengal. First Pari Passu charge on all fixed assets of the company, existing and future, except assets of dairy facility located at Malda, West Bengal.



**KEVENTER AGRO LIMITED**
**Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

- (h) Term loan aggregating Rs. 56.10 million (31st March, 2019: Rs. NIL) is secured by way of First Pari Passu charge with ICICI Bank Ltd by way of registered mortgage of leasehold land admeasuring 58.77 acres approx. and the leasehold rights granted in favour of company by the Governor of the State of West Bengal and the building constructed thereon, situated at Barrackpur-Barasat link Road, Barasat, West Bengal.

First Pari Passu charge by way of registered mortgage of freehold land admeasuring 3.27 acres approx. and building constructed/to be constructed thereon situated at Barrackpur-Barasat link Road, Barasat, West Bengal. First Pari Passu charge on all fixed assets of the company, existing and future, except assets of dairy facility located at Malda, West Bengal.

- (i) Term loans from banks are also secured by personal guarantee of one promoter director of the Company.

- (j) Interest rate & Repayment Schedule of Non-current borrowings outstanding as on 31st March 2020:

Principal	Principal Disbursed Amount	Balance as at 31st March, 2020	Rate of interest
(i) 28 Equal Quarterly Installments started from June 2014	115.11	16.44	I BASE plus 2.25%
(ii) 60 Monthly Installments started from August 2015	5.50	0.46	9.85% p.a.
(iii) 16 Equal Quarterly Installments starting from April 2018	22.50	11.00	1-MCLR-1Y plus 2.00%
(iv) 22 Quarterly Installments starting from March 2019	500.00	397.83	1-MCLR-1Y plus 1.10%
(v) 22 Quarterly Installments starting from June 2020	500.00	496.45	1-MCLR-1Y plus 1.35%
(vi) 48 Monthly Installments starting from August 2017	1.13	0.42	8.25% p.a.
(vii) 48 Monthly Installments starting from August 2017	0.65	0.24	8.25% p.a.
(viii) 48 Monthly Installments starting from October 2017	0.46	0.19	8.49% p.a.
(ix) 48 Monthly Installments starting from July 2018	1.35	0.82	8.99% p.a.
(x) 48 Monthly Installments starting from July 2018	1.35	0.82	8.99% p.a.
(xi) 48 Monthly Installments starting from September 2018	1.00	0.65	8.65% p.a.
(xii) 48 Monthly Installments starting from October 2018	0.99	0.66	8.85% p.a.
(xiii) 9 Half yearly Installments starting from March 2017	69.32	16.69	10% p.a.
(xiv) 5 Annual Installments starting from March 2017	17.50	4.20	10% p.a.
(xv) 48 Monthly Installments starting from June 2019	0.59	0.48	9.50% p.a.
(xvi) 48 Monthly Installments starting from July 2019	0.87	0.73	9.25% p.a.
(xvii) 48 Monthly Installments starting from December 2019	0.56	0.52	9.20% p.a.
(xviii) 48 Monthly Installments starting from Jan 2020	0.66	0.63	9.00% p.a.
(xix) 48 Monthly Installments starting from July 2020	0.65	0.64	8.90% p.a.
(xx) 20 Quarterly Installments starting from March 2021	350.00	278.02	1-MCLR-1Y plus 1.60%
(xxi) 22 Quarterly Installments starting from June 2020	275.00	269.32	1-MCLR-1Y plus 0.10%
(xxii) 20 Equal Quarterly Installments starting from March 2020	250.00	230.81	3M K-MCLR- plus 0.20%
(xxiii) 22 Quarterly Installments starting from March 2021	56.10	54.60	1-MCLR-1Y plus 0.65%
(xxiv) 48 Monthly Installments starting from January 2019	1.06	0.77	9.00% p.a.
(xxv) 48 Monthly Installments starting from August 2017	0.58	0.43	9.15% p.a.
(xxvi) 48 Monthly Installments starting from December 2019	0.74	0.69	9.20% p.a.
(xxvii) 48 Monthly Installments starting from April 2020	1.22	1.22	8.90% p.a.

23.2 Deferred payment credit is secured by lien on equipments acquired from the supplier aggregating to Rs. 20.89 million (31st March, 2019: Rs. 86.82 million)

23.3 Vehicle loan is secured by hypothecation of vehicle acquired therefrom.

23.4 Terms of conversion / redemption of 0.01% Compulsorily Convertible Preference shares (CCPS)

Preference share will have the maximum redemption period of 20 years from the date of allotment. The preference share holders have the option to convert the CCPS into equity shares at any time before the term of 20 years. If this right is not exercised, the CCPS shall be mandatorily converted into equity shares after the term of 20 years in the manner as stipulated in Share Subscription and Share Holders Agreement(SSHA) entered amongst the Company, its promoters (as defined in SSHA) and the Investors (as defined in SSHA).



**KEVENTER AGRO LIMITED**

Notes to Financial Statements for the year ended 31 March 2020  
(All amounts are in INR Million, unless otherwise stated)

**24. Other Non-Current Financial Liabilities**

	As at 31st March, 2020	As at 31st March, 2019
Lease Liability	31.51	-
Security Deposits	34.68	25.34
	<b>66.19</b>	<b>25.34</b>

**25. Non-Current Provisions**

	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer Note No. 48)		
- Gratuity	97.43	78.30
- Leave benefits	63.74	60.47
	<b>161.17</b>	<b>138.78</b>

**26. Other Non-Current Liabilities**

	As at 31st March, 2020	As at 31st March, 2019
Deferred Government Grant	48.08	53.88
	<b>48.08</b>	<b>53.88</b>

Government Grant includes Rs. 1.17 million (31st March 2019 Rs. 1.26 million) on account of Export Promotion Capital Goods (EPCG) scheme. The scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

Balance represents assistance received from Government for setting up of various capital projects under the scheme amounting Rs. 52.93 million (31st March 2019 Rs. 59.10 million)

Government grants are received for the purpose of acquisition of specific / class of assets and the said grants were fully utilised and are amortised over the remaining useful life of the assets.



**KEVENTER AGRO LIMITED****Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

**27. Current Borrowings**

	As at 31st March, 2020	As at 31st March, 2019
<b>Secured</b>		
<b>Loans repayable on demand from banks</b>		
-Cash Credit (in Rupee)	529.08	353.36
-Buyer's Credit	23.22	-
-Packing credit facilities		
in Rupee	98.52	196.07
in Foreign currency	89.26	60.05
-Demand loan	-	50.00
	<b>740.08</b>	<b>659.48</b>

**27.1 Security on short term borrowings have been provided as follows:**

- (a) Cash credit, demand loan, buyer's credit and packing credit facilities of Rs. 71.42 million (31st March, 2019: Rs. 318.22 million) are secured by hypothecation of entire stock of raw materials, semi-finished goods, finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present & future, of the Company (excluding current assets of Dairy Division) on pari-passu basis with other lenders. The facilities are further secured by second charge on movable / immovable fixed assets of the Company (excluding fixed assets of Dairy Division) ranking pari-passu with other lenders.
- (b) Cash credit and packing credit facilities of Rs. 116.36 million (31st March, 2019: Rs. 145.19 million) are secured by hypothecation of all stocks of raw materials, WIP, finished goods, consumable stores & spares, book debts, advances and other current assets of the company (excluding current assets of Dairy Division) on pari-passu basis with other lenders. The facilities are further secured by second charge on land and building, plant and machinery and other fixed assets of the Company (excluding fixed assets of Dairy Division) ranking pari-passu with other lenders.
- (c) Cash credit, packing credit facilities of Rs. 503.55 million (31st March, 2019: 196.07) are secured by first pari passu charge on its Current Assets both present and future (excluding current assets of Dairy Division and except those exclusively charged to existing lenders).  
Second pari passu charge on its Fixed Assets both present and future (excluding fixed assets of Dairy Division and except those exclusively charged to existing lenders).
- (d) Cash credit, demand loan, buyer's credit and packing credit facilities of Rs. 25.5 million (31st March, 2019: Rs. NIL) are secured by First charge by way of hypothecation of the dairy division of the company's (erstwhile Metro Dairy Limited) entire stocks of raw materials, semi-finished and finished goods, consumables stores and spares and such other documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating banks.
- (e) Borrowing includes a credit arrangement held with banker in the form of buyer's credit, the period of repayment is 180 days from the date of shipment of material along with interest at six months Euribor plus 60 bps.
- (f) Cash credit and packing credit facilities from banks are also secured by personal guarantee of one promoter director of the Company.

**28. Trade Payables**

	As at 31st March, 2020	As at 31st March, 2019
Acceptances	153.91	96.86
Total outstanding dues of micro, small and medium enterprises	30.71	23.69
Total outstanding dues of other than micro, small and medium enterprises	590.73	476.60
	<b>775.35</b>	<b>597.15</b>



**KEVENTER AGRO LIMITED****Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

28.1 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) The principal amount and interest due thereon remaining unpaid to any supplier	30.71	23.69
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	<b>30.71</b>	<b>23.69</b>

Dues to the Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**29. Other Current Financial Liabilities**

	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long term debt (Refer Note No. 23)	328.30	132.85
Interest accrued but not due on borrowings	6.45	3.46
Derivative Liabilities	13.45	1.68
Payable towards purchase of capital goods	56.54	87.57
Security Deposits	16.75	13.45
Other Payables	3.29	1.45
Payable to Employees	23.43	26.53
Investor education and protection fund (IEPF) *	-	-
	<b>448.21</b>	<b>266.99</b>

\* Actual amount of Investor education and protection fund (IEPF) : Rs. 12/- (March 31, 2019: Rs. 73/-)

**30. Other Current Liabilities**

	As at 31st March, 2020	As at 31st March, 2019
Contract liability - Advance from Customers	53.78	47.44
Deferred Government Grant (Refer Note No. 26)	6.02	6.49
Statutory Liabilities	16.58	22.51
Lease Liability	3.82	-
Other Payables	58.07	33.10
	<b>138.27</b>	<b>109.54</b>

**31. Current Provisions**

	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer Note No. 48)		
- Gratuity	2.84	5.60
- Leave benefits	3.17	3.66
	<b>6.01</b>	<b>9.25</b>



**KEVENTER AGRO LIMITED**

Notes to Financial Statements for the year ended 31 March 2020

(All amounts are in INR Million, unless otherwise stated)

**32. Revenue from Operations**

	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Sale of Products</b>		
Finished goods	7,444.39	6,276.54
Traded goods	1,787.42	2,328.41
	<b>9,231.81</b>	<b>8,604.95</b>
<b>Sale of Services</b>		
Rent and service charges	40.05	36.70
Others	0.21	0.06
<b>Other Operating Revenues</b>		
Export Incentives	80.25	81.14
Job work Charges	95.70	96.09
Others	5.77	5.72
	<b>9,453.79</b>	<b>8,824.66</b>

**Reconciliation of Revenue from operations with contract price**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract Price	9,420.06	8,734.47
Less: Sales returns	58.82	12.71
Less: Discount & Schemes	129.43	116.81
<b>Total Revenue from Operations</b>	<b>9,231.81</b>	<b>8,604.95</b>

**33. Other Income**

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income from financial assets at amortised cost		
-Bank Deposits	5.81	4.00
-Debentures	17.41	-
-Others	2.34	2.09
Gain on sale/discard of Property, Plant and Equipment (net)	-	0.48
Deferred Government Grant Income*	6.26	6.30
Liabilities no longer required written back	3.00	5.35
Net gains/(losses) on fair value changes on financial assets	-	2.27
Change in Fair valuation of Preference shares (Refer Note No. 23.4)	89.03	-
Gain on foreign exchange fluctuations (net)	1.85	-
Gain on sale of Investments.	1.60	-
Miscellaneous income	3.89	6.58
	<b>131.19</b>	<b>27.07</b>

\*Amortisation of Government Grants on the basis of the useful life of related assets.





**KEVENTER AGRO LIMITED****Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

**34. Cost of Materials Consumed**

	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Opening stock :</b>		
Raw materials	247.05	422.16
Packing materials	187.03	151.78
(A)	<u>434.08</u>	<u>573.94</u>
<b>Add:</b>		
Purchase of raw material and packing materials	5,542.30	4,223.90
(B)	<u>5,542.30</u>	<u>4,223.90</u>
<b>Less: Closing Stock :</b>		
Raw materials	243.78	247.05
Packing materials	199.92	187.03
(C)	<u>443.70</u>	<u>434.08</u>
(A) + (B) - (C)	<u><u>5,532.68</u></u>	<u><u>4,363.76</u></u>

**35. Changes in Inventories of Finished Goods , Traded Goods and Work-in-Progress**

	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Inventory at the end of the year</b>		
Finished Goods	193.81	99.64
Traded Goods	56.37	47.79
Work-in-progress	256.45	160.71
<b>Less: Inventory at the beginning of the year</b>		
Finished Goods	99.64	119.44
Traded Goods	47.79	438.30
Work in progress	160.71	123.11
	<u>(198.49)</u>	<u>372.71</u>

**36. Employee Benefits Expense**

	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, Wages and Bonus	596.19	464.32
Contribution to Provident and Other Funds	34.77	26.36
Gratuity expense (Refer Note No. 48)	17.64	16.18
Staff Welfare Expenses	29.79	28.83
	<u>678.39</u>	<u>535.69</u>



**KEVENTER AGRO LIMITED****Notes to Financial Statements for the year ended 31 March 2020**

(All amounts are in INR Million, unless otherwise stated)

**37. Finance Cost**

Interest expense on financial liabilities at amortised cost	
Exchange difference to the extent considered as an adjustment to borrowing costs	
Interest expense on lease liability	
Other Borrowing Costs	

Year ended 31st March, 2020	Year ended 31st March, 2019
220.75	226.93
3.07	2.98
2.69	-
22.39	23.09
<b>248.90</b>	<b>253.00</b>

**38. Depreciation and Amortisation Expense**

On Tangible assets (Refer Note No. 4)	
On Right of Use Assets (Refer Note No. 4)	
On Intangible assets (Refer Note No. 4)	

Year ended 31st March, 2020	Year ended 31st March, 2019
278.82	188.90
19.71	-
0.82	0.63
<b>299.35</b>	<b>189.53</b>

**39. Other Expenses**

Advertisement and Sales promotion expenses	
Bad debts and Advances written off (Refer Note (a) below)	
Brokerage & Commission	
Consumption of stores and Spares	
Directors' sitting fees	
Freight, Packaging and Forwarding charges	
Legal and Professional charges	
Loss on settlement of commodity futures (net)	
Changes in Fair Valuation of Preference Shares (including derivative liability)	
Loss on foreign exchange fluctuation (net)	
Loss on sale / discard of fixed assets (net)	
Miscellaneous expenses	
Provision for doubtful debts and advances	
Processing charges	
Power and Fuel	
Rent and Hire charges	
CSR Expenditure	
Rates and Taxes	
Payments to Auditors' (Refer Note (b) below)	
Repairs and Maintenance:	
- Buildings	
- Plant and Machinery	
- Others	
Service charges	
Transaction cost on Merger (Refer Note No. 52)	
Travelling and Conveyance	
Trade mark usage fees	

Year ended 31st March, 2020	Year ended 31st March, 2019
58.07	98.72
2.03	7.53
9.12	8.03
86.10	79.09
0.53	0.67
659.01	592.17
43.63	32.05
-	15.09
-	65.96
-	26.84
0.28	0.18
61.79	66.28
2.13	22.53
105.85	93.29
301.78	251.61
29.91	44.78
1.07	1.49
5.79	2.45
2.60	3.25
15.52	12.93
41.23	23.49
13.68	16.29
56.36	52.44
29.20	-
80.34	65.40
6.68	5.88
<b>1,612.70</b>	<b>1,588.44</b>



(a) Bad Debts and Advances written off

Bad Debts and Advances written off  
Less: Adjusted against Provision

	Year ended 31st March, 2020	Year ended 31st March, 2019
	10.16	34.25
	(8.13)	(26.72)
	<u>2.03</u>	<u>7.53</u>

(b) Payment to Auditor

As auditor :  
-Audit fees  
-Tax audit fees\*  
In other capacity:  
-Other services\*  
Reimbursement of expenses

	Year ended 31st March, 2020	Year ended 31st March, 2019
	2.00	2.00
	0.30	0.45
	0.19	0.75
	0.11	0.05
	<u>2.60</u>	<u>3.25</u>

\* Includes Rs Nil (31st March 2019 Rs. 0.75 million) paid to preceeding auditor in previous year.

39.1 Property, plant and equipment and Capital work-in-progress includes following expenditure capitalised during the year

	Year ended 31st March, 2020	Year ended 31st March, 2019
Technical consultancy fees	-	25.00
Finance cost	-	14.67
Employee benefits expense	-	6.45
Cost of raw material & packing materials consumed	2.38	2.64
Legal and professional fees	-	2.93
Power and fuel	2.31	2.10
Others	2.38	1.95
	<u>7.07</u>	<u>55.74</u>

40. Earnings per share (EPS)

**Basic earning per share**

Profit after tax (a) (Rs. in million)  
Weighted average number of equity shares outstanding during the year (b) (Nos.)  
Nominal value of equity per share (Rs.)  
Basic earning per share (a/b) (Rs.)

	Year ended 31st March, 2020	Year ended 31st March, 2019
	34.19	31.28
	1,31,13,232	1,31,13,232
	10	10
	2.61	2.39

**Diluted earning per share**

Profit after tax (Rs. in million)  
Adjustment of Gain / (Loss) on fair valuation of preference shares  
Adjusted Profit (c) (Rs. in million)

	34.19	31.28
	89.03	-
	<u>(54.84)</u>	<u>31.28</u>

Weighted average number of equity shares outstanding during the year (Nos.)  
Weighted average number of Potential equity shares outstanding during the year (Nos.)  
Total No of Equity shares outstanding during the year for computation of Diluted earning per share (d) (Nos.)

	1,31,13,232	1,31,13,232
	1,84,44,552	-
	<u>3,15,57,784</u>	<u>1,31,13,232</u>

Diluted earning per share (c/d) (Rs.) #

(1.74) 2.39

# The Company is having 0.01% Cumulative Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each which are potential equity shares. The number of ordinary shares that will be issued on conversion of CCPS to ordinary shares is not fixed and hence, maximum number of ordinary shares that could be issued on conversion of CCPS has been considered in calculation of diluted earning per share. In the previous year, the impact of potential equity shares on earnings per share is anti-dilutive and hence, it has been ignored in calculation of diluted earning per share.



**KEVENTER AGRO LIMITED**

**Notes to the financial statements for the year ended 31 March, 2020**

(All amounts are in INR Million, unless otherwise stated)

**41. Exceptional Item:**

During the previous year, the Company had paid Rs. 74.21 million towards settlement of sales tax dues with Sales tax authorities under "Settlement of Dispute Scheme" issued by Directorate of Commercial taxes, Government of West Bengal vide Trade Circular No. 01/2019 dated 4th January 2019 and disclosed the same as exceptional item in the statement of profit and loss.

**42. 1 Contingent liabilities not provided for in respect of:**

**a) Income tax matters Rs. 17.98 million (31st March, 2019: Rs. 35.67 million)**

The Company had filed an appeal against the income tax demand of Rs.8.60 million, which was considered as contingent liability in the previous year, raised by Income Tax authorities relating to disallowance of leave benefit expenses under section 43B(f) of the Income Tax Act, 1961 on the ground that same is allowed on payment basis and not on accrual basis. Subsequent to year-end, the Hon'ble Supreme Court, vide order dated April 24, 2020 in the case of Exide Industries, has upheld the constitutional validity of clause (f) of section 43B of the Act and allowed deduction of leave benefit expenses on actual payment basis. Hence, the Company has taken provision against it in the current year.

**b) Bank guarantees given Rs. 36.97 million (31st March, 2019: Rs. 154.47 million) including counter guarantee given by a banker to another banker of Rs. Nil (31st March, 2019: Rs. 120 million).**

**c) The District Land and Land Reforms Department, North 24 Parganas, Government of West Bengal, had demanded a sum of Rs. 5.54 million (31st March 2019: Rs. 5.54 million) in the year 1998-1999 for lease rent, interest and cess etc. relating to the period 1992-1998 on leasehold land at Barasat, West Bengal.**

The Company has filed a writ petition with Hon'ble High Court, Calcutta against the said demand. Further, no affidavit - in - opposition has been filed on behalf of the state of West Bengal till date.

The Company has also been legally advised that the possibility of payment of arrears of lease rent, interest and cess etc. is remote. Accordingly, no liability there against has been considered necessary by the management. Liability as at 31st March, 2020, if any, in this regard is presently not ascertainable and will be considered based on decision of Hon'ble High Court at Calcutta on the writ petition.

2 During the previous year, a Public Interest Litigation (PIL) had been filed in the Hon'ble High Court of Calcutta in relation to acquisition of 47% stake of Metro Dairy limited by the Company in which the Company is one of several respondents. On the basis of legal opinion obtained, the management is of the view that the facts covered in the PIL is misconceiving and the possibility of an outflow of resources embodying economic benefits is remote.

**3 Capital commitment:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 37.79 million (31st March, 2019: Rs. 98.10 million)

**43. The particulars of warehousing facilities given on lease or rent in the nature of lease by the Company are as follows:**

	2019-20	2018-19
Gross carrying amount of the assets	135.39	135.39
Less : accumulated depreciation	43.18	38.93
Net carrying amount of the assets	92.21	96.46
Not later than one year	-	-
Depreciation recognised in the Statement of profit and loss for the year	4.28	4.29
<b>Significant Leasing arrangement :-</b>		
1) Assets have been leased out for a long term period.		
2) There is an escalation clause in rent after certain period of time.		
3) Generally, the lessee has an option to cancel the lease agreement before the expiry of the lease period.		

**44. Disclosure pursuant to Indian Accounting Standard 12 - Income Taxes**

Numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit/(Loss) before Tax	16.80	77.40
Profit/(Loss) before exceptional item & Tax	16.80	151.61
Applicable tax rate (as enacted by the relevant Finance Act)	34.944%	33.384%
Computed tax expense	5.87	50.61
<b>(A) Current Tax</b>		
- Current year tax	5.35	19.46
- Adjustment for earlier year	9.93	(0.07)
<b>(B) Deferred Tax charge / (credit)</b>		
- Origination and reversal of temporary differences	(22.75)	26.73
- Adjustment for earlier year	(9.93)	-
<b>Increase/(reduction) in the aforesaid computed tax expense on account of:</b>		
Non deductible expenses/(income) for tax purposes	(24.33)	35.26
Change in Rate of Tax	0.96	-
Others*	0.11	(39.69)
<b>Income tax expense (Current tax + Deferred tax)</b>	<b>(17.39)</b>	<b>46.18</b>

\* Previous year number represents Deferred Tax impact on account of revised income tax return filed considering the impact of merger of Metro Dairy Limited.

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) issued, the income tax rates have changed with effect from April 1, 2019. The company does not expect to opt for the new tax rates in the near future. Hence, old tax rates continues to be considered for deferred tax determination and disclosure purposes.



**KEVENTER AGRO LIMITED**

Notes to the financial statements for the year ended 31 March, 2020

(All amounts are in INR Million, unless otherwise stated)

**45. Financial risk management**
**Financial risk factors**

The company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the company's operations. The company's principal financial assets include loans and advances, trade receivables and cash and bank balances that arise directly from its operations. The company also enters into derivative transactions to hedge foreign currency. The company is exposed to market risk, credit risk and liquidity risk and the senior management oversees the management of these risks.

**i) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

**(a) Currency risk**

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities. The company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. For exposure to foreign exchange risk, the company adopts a policy of selective hedging based on the risk perception of the management. The company uses forward contracts, derivatives, foreign currency loans to hedge its foreign currency exposures relating to the firm commitments, receivables, payables and highly probable future transactions.

Foreign currency exposure outstanding at the year end are as follows:

Sr. No.	Particulars	As at 31st March, 2020			As at 31st March, 2019		
		Foreign currency	Amount in foreign currency (in million)	Amount in INR (in million)	Foreign currency	Amount in foreign currency (in million)	Amount in INR (in million)
<b>Receivables</b>							
(a)	Trade receivables	US\$	3.75	282.72	US\$	4.04	279.28
		Euro	0.02	1.62	Euro	0.25	19.04
(b)	Advance to vendors	US\$	-	-	US\$	0.05	3.71
		Euro	-	-	Euro	0.01	0.39
		GB£	0.00	0.24	GB£	-	-
	<b>Total</b>			<b>284.58</b>			<b>302.42</b>
<b>Payables</b>							
(c)	Trade payables	US\$	0.23	16.99	US\$	0.02	1.28
		Euro	0.00	0.21	Euro	0.02	1.38
		GB£	0.01	0.87	GB£	0.05	4.64
(d)	Advance from customers	US\$	0.03	2.17	US\$	0.06	4.05
		Euro	0.01	0.96	Euro	-	-
(e)	Foreign currency loans	US\$	1.18	89.26	US\$	0.87	60.05
(f)	Trade Deposit	US\$	-	-	US\$	0.01	0.55
	<b>Total</b>			<b>110.46</b>			<b>71.95</b>

Forward/ future cover contracts outstanding at the year end represents the following:

Contracts of US\$ 3.80 million, Euro Nil & GB£ Nil (31st March, 2019: US\$ 4.91 million & Euro 0.33 million) for minimising the risk of currency exposure on receivables.

The following table demonstrates the sensitivity in various currencies to the Indian Rupee and the resulting impact on the company's Profit/(Loss) before tax, due to changes in the fair value of monetary assets and liabilities:

Particulars	Change in currency exchange rate		Effect on Profit / (Loss) Before Tax	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
US\$	+5%	+5%	13.18	10.85
	-5%	-5%	(13.18)	(10.85)
GB£	+5%	+5%	(0.03)	(0.23)
	-5%	-5%	0.03	0.23
Euro	+5%	+5%	0.02	0.90
	-5%	-5%	(0.02)	(0.90)

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the companies long-term debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings.

The following table demonstrates the fixed and variable-rate borrowings of the company:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Variable-rate borrowings	2,306.79	1,841.77
Fixed rate borrowings	219.02	243.09

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.



**KEVENTER AGRO LIMITED**

Notes to the financial statements for the year ended 31 March, 2020

(All amounts are in INR Million, unless otherwise stated)

Particulars	Profit or (Loss)	
	100 basis points increase	100 basis points decrease
Cash flow sensitivity (net)		
<b>31st March, 2020</b>		
Variable-rate borrowings	(23.07)	23.07
<b>31st March, 2019</b>		
Variable-rate borrowings	(18.42)	18.42

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**(c) Commodity Price Risk**

The company is exposed to fluctuation in prices of mango pulp, and sugar which is used by the company as raw-materials. The prices of these products are volatile which depends on the demand supply factors in the Indian & International markets. The volatility in the prices of these commodities has significant impact on the company's income and net profit.

The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The company's commodity risk is managed centrally through well-established trading operations and control processes.

**ii) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and other financial instruments.

**(a) Trade receivables**

The company extends credit to customers in the normal course of business. Outstanding customer receivables are regularly monitored. The company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent. An impairment analysis is performed at each reporting date on an individual basis for major customers.

Credit risk is mitigated and managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. Credit terms is in line with the industry standards.

**(i) Movements in allowance for credit losses of receivables is as below:**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Balance as at the beginning of the year	33.91	45.45
Charge in statement of profit and loss	1.83	15.18
Release to statement of profit and loss	-	-
Utilised during the year	(8.13)	(26.72)
<b>Balance at the end of the year</b>	<b>27.61</b>	<b>33.91</b>

**(ii) Ageing of trade receivables and credit risk arising there from is as below:**

Particulars	As at 31st March, 2020		
	Gross credit risk	Allowance for credit	Net credit risk
Amounts not yet due	-	-	-
Upto 6 months	467.18	0.94	466.24
6 months to 12 months	13.04	3.60	9.44
Above 12 months	23.20	23.07	0.13
	<b>503.42</b>	<b>27.61</b>	<b>475.81</b>

Particulars	As at 31st March, 2019		
	Gross credit risk	Allowance for credit	Net credit risk
Amounts not yet due	-	-	-
Upto 6 months	393.13	2.67	390.46
6 months to 12 months	40.27	2.32	37.95
Above 12 months	28.93	28.92	0.01
	<b>462.33</b>	<b>33.91</b>	<b>428.42</b>

**(b) Deposits with banks and other financial instruments**

The company considers factors such as track record, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the company has also availed borrowings. The company does not maintain significant cash balances other than those required for its day to day operations.



**KEVENTER AGRO LIMITED**
**Notes to the financial statements for the year ended 31 March, 2020**

(All amounts are in INR Million, unless otherwise stated)

**iii) Liquidity risk**

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, letter of credit and working capital limits. The company ensures it has sufficient cash to meet operational needs while maintaining sufficient margin on its undrawn borrowing facilities at all times on the basis of expected cash flow.

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

Particulars	As at	
	31st March, 2020	31st March, 2019
<b>Floating rate</b>		
- Expiring within one year - Working Capital Loans	592.53	348.75
- Expiring within one year - Term Loans	68.82	250.76
- Expiring beyond one year - Term Loans	143.90	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2020:

Particulars	As at			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	1,068.38	1,457.43	1,634.00	4,159.81
Trade Payables	775.35	-	-	775.35
Other Financial Liabilities	119.91	66.19	-	186.10

In case of borrowings (Preference Shares) due for maturity more than 5 years, party can exercise their right for conversion into equity shares prior to 5 years also.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2019:

Particulars	As at			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	881.18	1,468.68	1,723.03	4,072.89
Trade Payables	597.15	-	-	597.15
Other Financial Liabilities	134.14	25.34	-	159.48

**46. Capital management**

For the purpose of the company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the share holders of the company. The primary objective of the company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the companies 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.

**47. Fair value of Financial Assets and Liabilities**

Set out below is a comparison by class of the carrying amounts and fair value of the company financial instruments that are recognised in the financial statements.

Particulars	As at		As at	
	31st March, 2020		31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets at fair value through profit or loss</b>				
Investment in Mutual funds	-	-	44.76	44.76
Derivative assets	-	-	0.18	0.18
<b>Financial Assets at amortised cost</b>				
Investment in Debentures	222.17	222.17	-	-
Investment in Government securities	0.01	0.01	0.01	0.01
Loans	20.72	20.72	10.97	10.97
Trade Receivables	475.81	475.81	428.42	428.42
Cash and Cash Equivalents	84.80	84.80	564.61	564.61
Other Bank Balances	1.56	1.56	0.37	0.37
Other Financial Assets	35.12	35.12	55.22	55.22
<b>Total Financial Assets</b>	<b>840.19</b>	<b>840.19</b>	<b>1,104.54</b>	<b>1,104.54</b>
<b>Financial Liabilities at fair value through profit or loss</b>				
0.01% Cumulative Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each	1,634.00	1,634.00	1,723.03	1,723.03
Derivative Liabilities	13.45	13.45	1.68	1.68
<b>Financial Liabilities at amortised cost</b>				
Borrowings (including current maturities of long term debt)	2,525.81	2,525.81	2,084.85	2,084.85
Trade Payables	775.35	775.35	597.15	597.15
Other Financial Liabilities	172.65	172.65	157.80	157.80
<b>Total Financial Liabilities</b>	<b>5,121.26</b>	<b>5,121.26</b>	<b>4,564.51</b>	<b>4,564.51</b>



**KEVENTER AGRO LIMITED**

**Notes to the financial statements for the year ended 31 March, 2020**

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**Fair valuation techniques**

The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate certain fair values:

- i) Fair value of cash and deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Fair Value hierarchy**

The following tables provide the fair value measurement hierarchy of company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- i) Quoted prices in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.
- ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, then the instrument is included in level 2.
- iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- (a) **Financial Assets and Liabilities**

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets at amortised cost</b>						
Investment in Debentures	-	-	222.17	-	-	-
<b>Financial Assets at fair value through profit or loss</b>						
Investment in Mutual funds	-	-	-	-	44.76	-
Derivative Assets	-	-	-	-	0.18	-
<b>Total Financial Assets</b>	-	-	222.17	-	44.94	-
<b>Financial Liabilities at fair value through profit or loss</b>						
0.01% Cumulative Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each	-	-	1,634.00	-	-	1,723.03
Derivative Liabilities	-	13.45	-	-	1.68	-
<b>Total Financial Liabilities</b>	-	13.45	1,634.00	-	1.68	1,723.03

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy, as at 31st March, 2020 and 31st March, 2019:

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>As at 31st March, 2020</b>			
Derivative Assets & Liability -Forward contracts	Level 2	Market valuation techniques	Forward exchange rates, interest rates to discount future cash flow
0.01% Cumulative Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each	Level 3	Market valuation techniques	Valuation done by a third party valuation expert by determining the current valuation of the Company using the CCM (EV/EBITDA multiple) method.
<b>As at 31st March, 2019</b>			
<b>Assets</b>			
Derivative Assets & Liability -Forward contracts	Level 2	Market valuation techniques	Forward exchange rates, interest rates to discount future cash flow
0.01% Cumulative Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each	Level 3	Market valuation techniques	Valuation done by a third party valuation expert by determining the current valuation of the Company using the CCM (EV/EBITDA multiple) method.





**KEVENTER AGRO LIMITED**

Notes to the financial statements for the year ended 31 March, 2020

(All amounts are in INR Million, unless otherwise stated)

**48. Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits****(a) Defined Contribution Plan:**

In accordance with The Employees Provident Funds and Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contribution to the plan at a pre determined rate (12% for fiscal year 2020 and 2019) of an employee's basic salary. Retirement benefits in the form of provident fund and employee's state insurance (ESI) are defined contribution scheme and the contributions are charged to statement of profit and loss of the year when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the group are as follows:

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
Contribution to provident and other funds	34.77	26.36

**(b) Defined Benefit Plan/Long term compensated absence:**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than "The provisions of Gratuity Act, 1972". The above said scheme is unfunded except for the employees of the Dairy division (erstwhile Metro Dairy Ltd.)

For the employees of Dairy division, there exists a separate fund., the company contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. The Gratuity plan provides a lumpsum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the group. The trustees of the gratuity scheme have entrusted the administration of the scheme to the Life Insurance Corporation of India.

The following table summarises the components of net benefits / expense recognised in the statement of profit and loss and the balance sheet for the respective plans:

**(i) The amounts recognised in the Balance Sheet are as under:**

Particulars	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Present Value of obligation	158.18	136.18
Fair value of plan assets*	57.91	52.28
Net (Assets) / liabilities recognised in balance sheet	100.27	83.90
Non Current	97.44	78.30
Current	2.84	5.60

\*In relation to obligation of employees of dairy division only.

**(ii) Changes in present value of obligation:**

Particulars	Gratuity	
	2019-20	2018-19
Present Value of obligation at the beginning of the year	136.18	120.19
Net interest on net defined benefit liability/(asset)	10.03	9.00
Current service cost	11.55	10.62
Benefits paid	(4.79)	(4.36)
Actuarial (gain)/loss Experience	(2.19)	0.09
Actuarial (gain)/loss on financial assumptions	7.40	0.64
Present value of obligation as at the end of the year	158.18	136.18

**(iii) Recognised in Statement of profit and loss**

Particulars	Gratuity	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Net interest on net defined benefit liability/(asset)	6.09	5.57
Current service cost	11.55	10.62
Cost recognised in profit and loss	17.64	16.18
Actual return on plan assets	3.93	3.33



**KEVENTER AGRO LIMITED**

Notes to the financial statements for the year ended 31 March, 2020

(All amounts are in INR Million, unless otherwise stated)

(iv) Movement during in the fair value of plan assets was as follows:

Particulars	Gratuity	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Fair value of plan assets at the beginning of the year	52.28	40.75
Interest income on plan assets	3.94	3.43
Contributions by employer	3.40	9.71
Benefits paid	(1.70)	(1.52)
(Gain)/Loss on plan assets (excluding amounts included in net interest cost)	(0.01)	(0.10)
Fair value of plan assets at the end of the year	57.91	52.28

(v) Recognised in other comprehensive income

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Remeasurement actuarial loss/(gain)	5.22	0.83

(vi) The principal assumptions used in determining gratuity obligation for the group plans are shown below:

Particulars	Gratuity	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Discount rate	6.70%	7.43% - 7.50%
Weighted Average Duration	9 Years	9 Years
Withdrawal rate		
20-40 years	6.00%	6.00%
40-58 years	2.00%	2.00%
Expected rate of return on plan assets	6.70%	7.65%
Rate of increase in salaries	10.00%	10.00%
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

(vii) Risk exposure

These plans are exposed to the actuarial risks such as interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields on government bonds at the end of the reporting period. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

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

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary beyond expectation of the plan participants will increase the plan's liability.



**KEVENTER AGRO LIMITED****Notes to the financial statements for the year ended 31 March, 2020**

(All amounts are in INR Million, unless otherwise stated)

**(viii) Sensitivity Analysis**

Sensitivity analysis on effect on Defined Benefit Obligations on changes in significant assumptions as per Note No. 48 (b) (ii) are as follows:-

Particulars	Change in assumption	Effect on Gratuity obligation
<b>For the year ended 31st March, 2020</b>		
Discount rate	+1%	(12.98)
	-1%	14.92
Salary rate	+1%	13.36
	-1%	(10.82)
Withdrawal Rate	+1%	2.46
	-1%	(2.64)
<b>For the year ended 31st March, 2019</b>		
Discount rate	+1%	(6.01)
	-1%	6.95
Salary rate	+1%	6.38
	-1%	(5.73)
Withdrawal Rate	+1%	(0.88)
	-1%	0.95

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet. The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**Presentation in the Statement of Profit and Loss, Other Comprehensive Income and Balance Sheet**

Gratuity is in the nature of defined benefit plan and re-measurement gains/(losses) on defined benefit plans are shown under OCI as 'Items that will not be reclassified to profit or loss', including the income tax effect on the same.

Expense for service cost, net interest on net defined benefit liability/(asset) is recognised in the Statement of Profit and Loss.

Ind AS 19 does not require segregation of net defined liability/(asset) into current and non-current, however net defined liability/(asset) is bifurcated into current and non-current portions in the balance sheet, as per Ind AS 1 on "Presentation of Financial Statements".

**Note :**

- a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the Actuary.
- b) The management has relied on the overall actuarial valuation conducted by the actuary.



**KEVENTER AGRO LIMITED**

Notes to the financial statements for the year ended 31 March, 2020

(All amounts are in INR Million, unless otherwise stated)

**49. Leases****Company as a lessee**

The Company has implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from 1st April 2019 using the modified retrospective approach without adjusting the comparative period.

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

**(a) Impact on Balance Sheet (Increase/Decrease)**

	Year ended 31st March, 2020
<b>Assets: Right of use assets</b>	
Opening Balance as on 1st April 2019	904.49
Additions	1.85
Depreciation Expense	19.71
<b>Closing Balance</b>	<b>886.63</b>

Below are the carrying amounts of lease liabilities and the movements during the year:

	Year ended 31st March, 2020
<b>Liabilities: Lease liability</b>	
Opening Balance as on 1st April 2019	42.00
Additions	-
Accretion of Interest	2.67
Payment	9.36
<b>Closing Balance</b>	<b>35.33</b>
<b>Current</b>	<b>3.82</b>
<b>Non-current</b>	<b>31.51</b>

The Effective Rate of Interest of lease liability is 9.50%

	Year ended 31st March, 2020
<b>(b) The following amount are recognised in Statement of Profit &amp; Loss</b>	
Depreciation expense of Right of Use Assets	19.71
Interest expense on Lease Liabilities	2.69
Expenses related to other leases (included in other expenses)	12.99
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>35.39</b>



**KEVENTER AGRO LIMITED**
**Notes to the financial statements for the year ended 31 March, 2020**

(All amounts are in INR Million, unless otherwise stated)

**50. Disclosure of Segmental information as required by Ind AS 108 :**
**I. Primary segment information (Business segment)**

	Beverages	Trading of Fruit Pulp and Other products	Dairy Product	All other segments	Total
<b>(a) Segment Revenue</b>					
<b>Total revenue</b>	3,241.16 (2,630.34)	1,727.21 (1,964.56)	3,808.19 (3,298.92)	677.23 (930.84)	9,453.79 (8,824.66)
<b>(b) Segment Results</b>					
Segmental profit / (loss) (before depreciation / amortisation)	514.08 (357.68)	107.34 (78.64)	(78.46) (272.45)	72.89 (95.16)	615.85 (803.93)
Depreciation / amortisation for the year	108.57 (72.52)	34.15 (30.23)	113.85 (51.91)	42.78 (34.87)	299.35 (189.53)
Segment result	405.51 (285.16)	73.19 (48.41)	(192.31) (220.54)	30.11 (60.29)	316.50 (614.40)
Unallocated expenses net of unallocated income					50.80 (209.79)
Operating profit					265.70 (404.61)
Interest expenses					248.90 (253.00)
Exceptional Items					- (74.21)
Income tax (including deferred tax)					(17.39) (46.12)
Other Comprehensive Income / (loss)					(3.48) (0.56)
<b>Total Comprehensive Income</b>					30.71 30.72
<b>(c) Total assets</b>					
Segment assets	1,947.78 (1,340.18)	1,256.85 (1,092.86)	2,583.27 (2,680.42)	399.57 (569.61)	6,187.47 (5,683.07)
Unallocated assets					1,072.46 (949.23)
<b>Total</b>					7,259.93 (6,632.30)
<b>(d) Total liabilities</b>					
Segment liabilities	694.32 (488.57)	473.72 (459.74)	307.94 (403.18)	13.48 (19.02)	1,489.46 (1,370.51)
Unallocated liabilities					3,985.33 (3,507.36)
<b>Total</b>					5,474.79 (4,877.87)
<b>(e) Other information</b>					
Capital expenditure (including capital work in progress)	444.15 (457.01)	91.75 (150.96)	226.10 (665.03)	17.41 (9.12)	779.41 (1,282.12)
<b>Total</b>					779.41 (1,282.12)

**II. Secondary segment information (Geographical segments)**

	Within India	Outside India	Total
Segment revenue	8,098.99 (7,304.84)	1,354.80 (1,519.82)	9,453.79 (8,824.66)
Segment assets	6,975.35 (6,361.18)	284.58 (302.42)	7,259.93 (6,663.60)
Capital expenditure	779.41 (1,282.12)	- -	779.41 (1,282.12)

**Notes :**

Business Segment: The business segments have been identified on the basis of the products of the Company. Accordingly, the Company has identified "Beverage", "Trading of Fruit pulp and other products" and "Dairy Product" as the operating segments:

- 1) Beverages - Consists of manufacture, trading and sale of fruit juice and packaged drinking water.
- 2) Trading of Fruits pulp and other products – Consists of trading of fruits pulp, bakery products, fruits and vegetables and other food products.
- 3) Dairy Product - Consists of Milk and Milk product
- 4) All other segments – Consists of trading, processing and sales of sesame seeds, job work for food items, income from renting out of warehousing facilities and others.
- 5) Previous year's figures are given in bracket.



**KEVENTER AGRO LIMITED**

Notes to the financial statements for the year ended 31 March, 2020

(All amounts are in INR Million, unless otherwise stated)

**51. Disclosure pursuant to Indian Accounting Standard 24 - Related Party Disclosures**

**Names of Related Parties :**

**(i) Related Parties with whom transactions have taken place during the year.**

**(A) Key Management Personnel (KMP)**

<b>Name</b>	<b>Designation</b>
1. Mr. Mayank Jalan	Chairman & Managing Director
2. Mr. Sanjay Gupta	Chief Financial Officer & Company Secretary

**(B) Other Directors**

<b>Keventer Agro Limited Name</b>	<b>Designation</b>
1. Mrs. Parvana Mayank Jalan	Non Executive Director
2. Mr. Sumit Krishna Deb	Non Executive Director
3. Mr. Uday Ramakant Garg	Nominee Director of Mandala Swede SPV
4. Mr. Probir Roy	Independent Director
5. Ms. Shruti Swaika	Independent Director (appointed on 18th April, 2019)
6. Mr. Debanjan Mandal	Independent Director (resigned on 3rd January 2019)
7. Mr. Vijayakumar Kilar Balakrishnan	Nominee Director of Mandala Swede SPV (appointed on 14th November, 2018)

**(ii) Enterprise having significantly influence on the company with whom transactions have taken place during the year.**

1. MKJ Enterprises Limited

**(iii) Enterprise owned or significantly influenced by Key Management Personnel and their relatives with whom transactions have taken place during the year.**

1. Keventer Capital Limited
2. Keventer Projects Limited
3. Riddhi Siddhi Mall Management Private Limited
4. Candico (I) Limited
5. Gama Hospitality Limited
6. Edward Keventer Private Limited
7. Bengal Bonded Warehouse Limited
8. Mandala Swede SPV
9. Fox & Mandal (till 3rd January 2019)



**KEVENTER AGRO LIMITED**

**Notes to the Consolidated financial statements for the year ended 31 March, 2020**

(All amounts are in INR Million, unless otherwise stated)

Relation	Party	Year	Capitalisation of expenses	Investment made	Balance Payable	Balance Receivable / Investment	Investments in equity / preference share demerged
Enterprise having significantly influence on the company with whom transactions have taken place during the year.	MKJ Enterprises Limited	2019-20	-	-	-	0.10	-
		2018-19	(-)	(-)	(-)	(0.99)	(-)
Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Keventer Capital Limited	2019-20	-	-	-	-	-
		2018-19	(-)	(-)	(-)	(16.45)	(-)
	Riddhi Siddhi Mall Management Private Limited	2019-20	-	-	-	-	-
		2018-19	(-)	(-)	(-)	(-)	(320.48)
	Gamma Hospitality Limited	2019-20	-	206.50	0.28	222.54	-
		2018-19	(-)	(-)	(-)	(0.02)	(43.65)
	Candico (I) Limited	2019-20	-	-	-	0.31	-
		2018-19	(-)	(-)	(-)	(3.03)	(199.85)
	Keventer Projects Limited	2019-20	2.05	-	4.58	-	-
		2018-19	(-)	(-)	(2.26)	(-)	(-)
Edward Keventer Private Limited	2019-20	-	-	-	0.74	-	
	2018-19	(-)	(-)	(-)	(1.43)	(-)	
Mandala Swede SPV	2019-20	-	-	-	-	-	
	2018-19	(-)	(-)	(0.01)	(-)	(-)	
Mrs. Parvana Mayank Jalan	2019-20	-	-	-	-	-	
	2018-19	(-)	(-)	(0.02)	(-)	(-)	
Debanjan Mandal	2019-20	-	-	-	-	-	
	2018-19	(-)	(-)	(0.02)	(-)	(-)	
Sanjay Gupta	2019-20	-	-	0.16	-	-	
	2018-19	(-)	(-)	(0.17)	(-)	(-)	
Sumit Krishna Deb	2019-20	-	-	-	-	-	
	2018-19	(-)	(-)	(0.03)	(-)	(-)	
Probir Roy	2019-20	-	-	-	-	-	
	2018-19	(-)	(-)	(0.03)	(-)	(-)	

	Opening Balance	Net Movement	Closing Balance
Personal Guarantee given by Mr. Mayank Jalan to various banks for cash credit and packing credit facilities availed by the Company.	2,833.32	479.12	3,312.44



**KEYVENTER AGRO LIMITED**

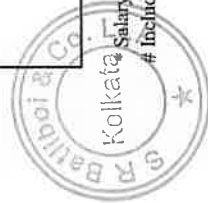
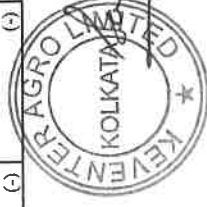
Notes to the Consolidated financial statements for the year ended 31 March, 2020

(All amounts are in INR Million, unless otherwise stated)

Relation	Party	Year	Director Fee/ Salary*	Rent expense	Rent income	Purchase of material	Sale of material	Interest income	Other expense	Reimbursement given (net)	Reimbursement taken (net)	
Enterprise having significantly influence on the company with whom transactions have taken place during the year.	MKJ Enterprises Limited	2019-20	-	-	-	-	0.02	-	-	1.48	-	
		2018-19	(-)	(-)	(-)	(-)	(0.04)	(-)	(-)	(2.73)	(-)	
Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Keventer Projects Limited	2019-20	-	0.62#	-	-	-	-	5.16	-	0.03	
		2018-19	(-)	(0.62)	(-)	(-)	(0.00)	(-)	(-)	(5.89)	(-)	
	Gama Hospitality Limited	2019-20	-	-	0.17	-	0.35	17.41	-	0.34	-	0.40
		2018-19	(-)	(-)	(0.16)	(-)	(0.03)	(-)	(-)	(0.13)	(-)	(0.27)
	Riddhi Siddhi Mall Management Private Limited	2019-20	-	-	-	-	-	-	-	-	-	-
		2018-19	(-)	(-)	(-)	(-)	(-)	(-)	(0.58)	(-)	(-)	(-)
	Candico (I) Limited	2019-20	-	-	1.05	21.20	-	-	-	-	-	-
		2018-19	(-)	(-)	(0.90)	(25.23)	(-)	(-)	(-)	(-)	(1.49)	(-)
	Edward Keventer Private Limited	2019-20	-	-	2.74	-	-	-	-	-	0.28	-
		2018-19	(-)	(-)	(5.27)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Bengal Bonded Warehouse Limited	2019-20	-	-	-	-	-	-	-	-	-	-
		2018-19	(-)	(-)	(-)	(0.00)	(-)	(-)	(-)	(-)	(0.27)	(-)
Mandala Swede SPV	2019-20	0.13	-	-	-	-	-	-	-	-	-	
	2018-19	(0.13)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Fox & Mandal	2019-20	-	-	-	-	-	-	-	-	-	-	
	2018-19	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.20)	(-)	(-)	
Mr. Mayank Jalan*	2019-20	5.31	-	-	-	-	-	-	-	-	-	
	2018-19	(6.56)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Mrs. Parvana Mayank Jalan	2019-20	0.03	-	-	-	-	-	-	-	-	-	
	2018-19	(0.03)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Debanjan Mandal	2019-20	-	-	-	-	-	-	-	-	-	-	
	2018-19	(0.04)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Sanjay Gupta*	2019-20	4.20	-	-	-	-	-	-	-	-	-	
	2018-19	(4.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Ms. Shruti Swaika	2019-20	0.08	-	-	-	-	-	-	-	-	-	
	2018-19	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
Sumit Krishna Deb	2019-20	0.08	-	-	-	-	-	-	-	-	-	
	2018-19	(1.28)	(-)	(-)	(-)	(-)	(-)	(-)	1.00	(-)	(-)	
Probir Roy	2019-20	0.04	-	-	-	-	-	-	-	-	-	
	2018-19	(0.14)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	

\* Salary excludes amount towards retirement benefits.

# Includes Rent paid against leased assets has been accounted for in accordance with India Accounting Standards 116 (Ind AS 116, Leases w.e.f. 01-04-2019)





**KEVENTER AGRO LIMITED**

**Notes to the Consolidated financial statements for the year ended 31 March, 2020**

(All amounts are in INR Million, unless otherwise stated)

52. Keventer Agro Limited ("the Company") had filed scheme of amalgamation under section 230 to 232 of the Companies Act, 2013 with National Company Law Tribunal (NCLT) on June 12, 2019 for amalgamation of Metro Dairy Limited (a wholly owned subsidiary) with appointed date of April 01, 2018. NCLT vide order dated 11th March 2020, sanctioned the Scheme of amalgamation and effect of the scheme has been given in these financial statements.

Since the above transactions results in a common control business combination, considering the requirements of Ind AS 103 – Business Combinations, the accounting for the above transactions have been given effect retrospectively by the Company. Accordingly, the financial statements for the comparative year in 2018-19 and year ended March 31, 2019 as well as the opening balances as of April 1, 2018 have been restated to give effect to the above Schemes. The amalgamation has been accounted for using the 'pooling of interests' method as specified in Appendix C "Business combinations of entities under common control" of Ind AS 103 based on the carrying value of the assets and liabilities of Metro Dairy Limited as included in the consolidated Balance Sheet of the Company as at the earliest period presented. Tax expense recognised in comparative year 2018-19 is based on revised income tax return filed by the Company considering impact of merger. Accordingly, tax expense of Rs. 46.12 million is appearing in comparative period 2018-19 as against Rs. 78.24 million appearing in consolidated financials of the Company for the year 2018-19.

Transaction costs of Rs. 29.20 million incurred in relation to the common control business combination has been recognised as expense.

53. In the previous year, pursuant to the Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 between Keventer Agro Limited ("KAL") and Keventer Capital Limited ("KCL") was approved by the National Company Law Tribunal, Kolkata Bench (NCLT) on February 27, 2019. The Investment Division of KAL as described in the aforesaid scheme of arrangement as on the appointed date (April 1, 2017) has been transferred to KCL at Book Value.

As a consideration for transfer of Investment division, KCL has issued preference shares to the Shareholders of KAL as per the Share entitlement ratio mentioned in the scheme.

The above demerger does not meet the conditions of "Common Control" transaction under Ind AS 103 Business Combination. Hence, Appendix A "Distribution of Non Cash Assets to Owners" of Ind AS 10 "Events after the Reporting Period" was applicable and accordingly, accounting of net assets being demerged was effective on the date of NCLT order i.e. February 27, 2019 at fair value on that date.

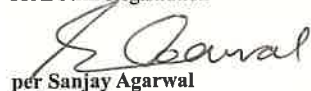
However, in terms of clause 8 of the said Scheme of Arrangement, as approved by NCLT, during the previous year, the difference between the book value of Assets and Liabilities as appearing immediately before the appointed date amounting to Rs. 602.65 million has been adjusted against Securities Premium account to the extent of Rs. 245.10 million and against credit balance of Profit & Loss account to the extent of Rs. 357.55 million in the books of the Company.

54. The Company has considered the possible effects that may arise out of the still unfolding COVID -19 pandemic on the carrying amounts of property, plant & equipment, investments, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including economic indicators, general business conditions etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID - 19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**For S.R.Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

  
per Sanjay Agarwal

Partner

Membership No. 055833



Place : Kolkata

Date: 7th October 2020

**For and on behalf of the Board of Directors**



Mayank Jalan

Chairman & Managing Director

DIN No.- 00598842



Sanjay Gupta

Chief Financial Officer

& Company Secretary



Sumit Deb

Director

DIN No.- 00524590

