

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of NOURISHCO BEVERAGES LIMITED Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **NOURISHCO BEVERAGES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021 and its profit, total 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 financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

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

In preparing the financial statements, 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 Responsibility for the Audit of the Financial Statements**

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

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

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

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

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

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

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 Section 143(3) of the Act, based on our audit 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.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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- 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 financial statements – Refer note 27A of the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer note 41 of the financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – Refer note 40 of the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W - 100018)

**Satpal Singh Arora**  
Partner  
(Membership No. 098564)  
(UDIN : 21098564AAAAAW2999)

Place : New Delhi  
Date : 27 April 2021

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **NOURISHCO BEVERAGES LIMITED** ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W - 100018)

**Satpal Singh Arora**  
Partner  
(Membership No. 098564)  
(UDIN : 21098564AAAAAW2999)

Place : New Delhi  
Date : 27 April 2021

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'  
section of our report of even date)**

- (i) In respect of its property, plant and equipment:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b. The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. The provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and the operations of the Company during the year did not give rise to any liability for Customs Duty.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable. The provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and the operations of the Company during the year did not give rise to any liability for Customs Duty.

- c. Details of dues of Sales Tax which have not been deposited as on 31 March 2021 on account of disputes are given below:

<b>Nature of Statute</b>	<b>Nature of dues</b>	<b>Forum where dispute is pending</b>	<b>Period to which amount relates</b>	<b>Amount (Rs. in lakhs)</b>
Central Sales Tax Act, 1956	Central Sales Tax	Deputy State Tax Commissioner (1), Appeals – 1, Ahmedabad	2014-15	9.04*

\* Net of Rs. Nil paid under protest

There are no dues of Income-tax, Service Tax and Goods and Services Tax as on 31 March 2021 on account of disputes. The operations of the Company during the year did not give rise to any liability for Customs Duty.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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(xvi) The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W - 100018)

**Satpal Singh Arora**  
Partner  
(Membership No. 098564)  
(UDIN : 21098564AAAAAW2999)

Place : New Delhi  
Date : 27 April 2021

**NOURISHCO BEVERAGES LIMITED****Balance Sheet as at 31 March 2021***(All amounts in Rs. lakhs, unless otherwise stated)*

	<b>Note Ref.</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	490.69	520.11
(b) Right-of-use assets	4	481.17	-
(c) Financial asset			
- Other financial assets	5	30.83	10.68
(d) Non-current tax assets	6	209.12	167.54
(e) Deferred tax assets (net)	26.1	1,309.51	-
(f) Other non-current assets	7	24.46	54.12
<b>Total non-current assets</b>		<b>2,545.78</b>	<b>752.45</b>
<b>Current assets</b>			
(a) Inventories	8	1,931.00	1,381.77
(b) Financial assets			
(i) Trade receivables	9	274.70	349.06
(ii) Cash and cash equivalents	10	2,524.54	1,129.88
(iii) Other financial assets	11	26.01	18.73
(c) Other current assets	12	859.69	957.48
<b>Total current assets</b>		<b>5,615.94</b>	<b>3,836.92</b>
<b>Total assets</b>		<b>8,161.72</b>	<b>4,589.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	13	21,300.00	21,300.00
(b) Other equity	14	(17,453.72)	(19,295.50)
<b>Total Equity</b>		<b>3,846.28</b>	<b>2,004.50</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
- Lease Liability	33	416.10	-
(b) Provisions	15	70.20	30.54
<b>Total non - current Liabilities</b>		<b>486.30</b>	<b>30.54</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liability	33	56.41	-
(ii) Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		537.44	65.38
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,345.77	2,157.41
(b) Provisions	15	47.91	22.62
(c) Other current liabilities	17	841.61	308.92
<b>Total current liabilities</b>		<b>3,829.14</b>	<b>2,554.33</b>
<b>Total liabilities</b>		<b>4,315.44</b>	<b>2,584.87</b>
<b>Total equity and liabilities</b>		<b>8,161.72</b>	<b>4,589.37</b>

See accompanying notes to the financial statements

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In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W - 100018)

For and on behalf of board of directors of  
**NOURISHCO BEVERAGES LIMITED****Satpal Singh Arora**

Partner

(Membership No. 098564)

Place: New Delhi

**Vikram Singh Grover**

CEO and Managing Director

DIN : 07596291

Place: Bengaluru

**L. KrishnaKumar**

Director

DIN : 00423616

Place: Mumbai

**Sasikumar PK**

Chief Financial Officer

Place: Cochin

**Swati Gupta**

Company Secretary

Place: Gurugram

**NOURISHCO BEVERAGES LIMITED**  
**Statement of Profit and Loss for the year ended 31 March 2021**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

	Note Ref.	Year ended 31.03.2021	Year ended 31.03.2020
<b>1. Income</b>			
a. Revenue from operations	18	18,798.04	17,993.17
b. Other income	19	28.83	150.42
<b>Total income</b>		<b>18,826.87</b>	<b>18,143.59</b>
<b>2. Expenses</b>			
a. Cost of materials consumed	20	11,171.70	10,278.60
b. Purchases of stock-in-trade		1,677.17	2,594.51
c. Changes in inventories of finished goods and stock-in-trade	21	(269.97)	(393.13)
d. Employee benefit expense	22	926.17	564.45
e. Finance costs	23	2.70	-
f. Depreciation	24	68.92	55.95
g. Other expenses	25	4,712.90	5,234.19
<b>Total expenses</b>		<b>18,289.59</b>	<b>18,334.57</b>
<b>3. Profit/(loss) before tax (1-2)</b>		<b>537.28</b>	<b>(190.98)</b>
<b>4. Tax expense</b>			
a. Current tax expense	26.2	7.16	(3.09)
b. Deferred tax charge/(credit)	26.2	(1,310.05)	3.09
		<b>(1,302.89)</b>	<b>-</b>
<b>5. Profit/(loss) for the year (3-4)</b>		<b>1,840.17</b>	<b>(190.98)</b>
<b>6. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligation		2.15	(4.19)
- income tax relating to items that will not be reclassified to profit and loss		(0.54)	-
<b>Total other comprehensive income / (loss)</b>		<b>1.61</b>	<b>(4.19)</b>
<b>7. Total comprehensive income / (loss) for the year (5+6)</b>		<b>1,841.78</b>	<b>(195.17)</b>
<b>Earnings per equity share (face value Rs. 10):</b>			
Basic and diluted	30	0.86	(0.09)

See accompanying notes to the financial statements

1-42

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W - 100018)

For and on behalf of board of directors of  
**NOURISHCO BEVERAGES LIMITED**

**Satpal Singh Arora**  
Partner  
(Membership No. 098564)  
Place: New Delhi

**Vikram Singh Grover**  
CEO and Managing Director  
DIN : 07596291  
Place: Bengaluru

**L. KrishnaKumar**  
Director  
DIN : 00423616  
Place: Mumbai

**Sasikumar PK**  
Chief Financial Officer  
Place: Cochin

**Swati Gupta**  
Company Secretary  
Place: Gurugram

**NOURISHCO BEVERAGES LIMITED****Statement of changes in equity***(All amounts in Rs. lakhs, unless otherwise stated)***(a) Equity share capital****Balance as at 01.04.2019**

Changes in equity share capital during the year

**Balance as at 31.03.2020**

Changes in equity share capital during the year

**Balance as at 31.03.2021**

Number of shares	Amount
213,000,000	21,300
-	-
213,000,000	21,300
-	-
213,000,000	21,300

**(b) Other equity****Balance as at 01.04.2019**

Profit / (loss) for the year

Other comprehensive income / (loss)

**Balance as at 31.03.2020**

Profit / (loss) for the year

Other comprehensive income / (loss)

**Balance as at 31.03.2021**

Retained earnings	Total
(19,100.33)	(19,100.33)
(190.98)	(190.98)
(4.19)	(4.19)
(19,295.50)	(19,295.50)
1,840.17	1,840.17
1.61	1.61
(17,453.72)	(17,453.72)

See accompanying notes to the financial statements

1-42

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W - 100018)

For and on behalf of board of directors of

**NOURISHCO BEVERAGES LIMITED****Satpal Singh Arora**

Partner

(Membership No. 098564)

Place: New Delhi

**Vikram Singh Grover**

CEO and Managing Director

DIN : 07596291

Place: Bengaluru

**L. KrishnaKumar**

Director

DIN : 00423616

Place: Mumbai

**Sasikumar PK**

Chief Financial Officer

Place: Cochin

**Swati Gupta**

Company Secretary

Place: Gurugram

**NOURISHCO BEVERAGES LIMITED**  
**Cash Flow Statement for the year ended 31 March 2021**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. Cash flow from operating activities:</b>		
Profit / (loss) for the year	537.28	(190.98)
<b>Adjustments for:</b>		
Depreciation	68.92	55.95
Finance costs	2.70	-
Allowance for doubtful trade receivables	19.91	85.98
Interest income on fixed deposits	(24.32)	(89.33)
Interest income on security deposits	(0.38)	-
Interest income on income tax refund	(4.13)	-
<b>Operating profit / (loss) before working capital changes</b>	<b>599.98</b>	<b>(138.38)</b>
<b>Movement in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	54.45	898.83
Inventories	(549.23)	(764.31)
Other non-current assets	29.66	0.01
Other current assets	97.79	(433.70)
Other financial assets	(34.38)	(1.70)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payable	660.42	327.55
Other financial liabilities	-	(2.38)
Other current liabilities	532.69	151.30
Provisions	67.10	6.30
<b>Cash generated from operations</b>	<b>1,458.48</b>	<b>43.52</b>
Income tax paid (net)	(48.74)	(82.81)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,409.74</b>	<b>(39.29)</b>
<b>B. Cash flow from investing activities:</b>		
Payments for property, plant and equipment	(32.30)	(9.02)
Interest received	25.55	86.76
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(6.75)</b>	<b>77.74</b>
<b>C. Cash flow from financing activities:</b>		
Payment of lease liabilities	(8.33)	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(8.33)</b>	<b>-</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A)+(B)+(C)</b>	<b>1,394.66</b>	<b>38.45</b>
Cash and cash equivalents at the beginning of the year	1,129.88	1,091.43
<b>Cash and cash equivalents at the end of the year (see note 10)</b>	<b>2,524.54</b>	<b>1,129.88</b>

See accompanying notes to the financial statements

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In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W - 100018)

**For and on behalf of board of directors of  
NOURISHCO BEVERAGES LIMITED**

**Satpal Singh Arora**  
Partner  
(Membership No. 098564)  
Place: New Delhi

**Vikram Singh Grover**  
CEO and Managing Director  
DIN : 07596291  
Place: Bengaluru

**L. KrishnaKumar**  
Director  
DIN : 00423616  
Place: Mumbai

**Sasikumar PK**  
Chief Financial Officer  
Place: Cochin

**Swati Gupta**  
Company Secretary  
Place: Gurugram

**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**

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## **1. Background**

NourishCo Beverages Limited ('the Company') was incorporated on 25 November, 2010 in India as a Public Limited Company. The Company was a Joint venture between PepsiCo India Holdings Private Limited and Tata Consumer Products Limited (formerly Tata Global Beverages Limited) upto 18 May, 2020. During the current year, the Company became a wholly owned subsidiary of Tata Consumer Products Limited from 18 May 2020. The Company is primarily engaged in the business of manufacturing, trading, selling, marketing and distributing beverages.

## **2A. Significant accounting policies**

### **2A.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

### **2A.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies 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 estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis except for, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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.

### **2A.3 Revenue recognition**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivables, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

### **Revenue from product commercialisation support and business support services**

Timing of recognition: Revenue from support services is recognised in the accounting period in which the services are rendered.

Measurement of revenue: The revenue from support services are measured as per the terms of the relevant arrangements.

The Performance obligation in contracts are considered as fulfilled in accordance with the terms agreed with the respective agreements.

### **Interest income**

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 basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## **2A.4 Leases**

### **The Company as lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**

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- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets is presented as a separate line item in the balance sheet.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

## **2A.5 Foreign currencies**

The functional currency of the Company is Indian Rupees (INR) which represents the currency of the primary economic environment in which it operates.

In preparing the financial statement, transaction in currencies other than the company's functional currency (foreign currency) are recognized at the rates of exchange prevailing at the dates of transaction. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at that date.

Non- monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference arising in respect of foreign currency monetary items is recognized in the statement of profit and loss.



## **2A.6 Employee benefits**

### **Retirement termination benefit costs**

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The past service cost at the time of plan amendment or curtailment, is remeasured at the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### **Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## **2A.7 Taxation**

The income tax expense represents the tax currently payable and deferred tax.

### **Current tax**

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

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In case of uncertainty whether the relevant taxation authority will accept the tax treatment, the Company predicts the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the Company shows the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**Tax expense for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2A.8 Property, plant and equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant and equipment, computers and office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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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 sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## **2A.9 Impairment of property, plant and equipment**

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

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

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

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

## **2A.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions for old, obsolete and damaged stocks are made, where necessary.

## **2A.11 Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **Classification of financial assets**

### **Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

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

Investments in equity instruments other than in subsidiaries are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Classification of financial instruments with prepayment feature with negative compensation**

These types of instruments are classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the Company if the respective conditions specified under Ind AS 109 are satisfied.

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Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **Financial liabilities and equity**

#### **Classification as debt or equity**

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**2A.12 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is possible.

**2A.13 Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**2A.14 Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **2A.15 Earnings per equity share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### **2A.16 Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **2B. Critical estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2A. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### **a. Income taxes**

The recognition of a Deferred Tax Assets (DTA) is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be utilised. The Company has recognised DTA on carried forward tax losses, unabsorbed depreciation in the current year to the extent of estimated future profits and timing against which tax deductions represented by the DTAs can be offset.

Recognition therefore, involves significant management judgement regarding the future financial performance of the Company. This assessment of the likelihood of future taxable profits being available and the length of the forecast period requires significant management judgements.

### **b. Employee Benefits**

Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.



**c. Property plant and equipment and Intangible assets**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**2C. Applicability of New and Revised Ind AS**

On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The Company is evaluating the effect of the amendments on its financial statements

**NOURISHCO BEVERAGES LIMITED**  
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**Note 3- Property, plant and equipment**

Property, plant and equipment consist of the following:

**Carrying amounts of :**

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
- Plant and equipment	463.38	514.51
- Computers	27.31	5.60
	<b>490.69</b>	<b>520.11</b>

	<b>Plant and equipment</b>	<b>Computers #</b>	<b>Total</b>
<b>Gross block</b>			
<b>Balance at 01.04.2019</b>	<b>737.05</b>	<b>34.23</b>	<b>771.28</b>
Additions	9.02	-	<b>9.02</b>
Disposals	-	-	-
<b>Balance at 31.03.2020</b>	<b>746.07</b>	<b>34.23</b>	<b>780.30</b>
Additions	-	32.30	<b>32.30</b>
Disposals	-	-	-
<b>Balance at 31.03.2021</b>	<b>746.07</b>	<b>66.53</b>	<b>812.60</b>
<b>Accumulated depreciation</b>			
<b>Balance at 01.04.2019</b>	<b>180.87</b>	<b>23.37</b>	<b>204.24</b>
Depreciation expense	50.69	5.26	<b>55.95</b>
<b>Balance at 31.03.2020</b>	<b>231.56</b>	<b>28.63</b>	<b>260.19</b>
Depreciation expense	51.13	10.59	<b>61.72</b>
<b>Balance at 31.03.2021</b>	<b>282.69</b>	<b>39.22</b>	<b>321.91</b>
<b>Carrying amount</b>			
<b>Balance at 31.03.2021</b>	<b>463.38</b>	<b>27.31</b>	<b>490.69</b>
<b>Balance at 31.03.2020</b>	<b>514.51</b>	<b>5.60</b>	<b>520.11</b>

# Includes laptops retired from active use having gross book value of Rs. 25.05 and net book value of Rs. Nil (previous year : gross book value of Rs. 25.05 and net book value of Rs. Nil).

**Note 4- Right-of-use assets (see note 33)**

	<b>Building</b>	<b>Total</b>
<b>Gross block</b>		
<b>Balance at 01.04.2019</b>	-	-
Additions	-	-
Disposals	-	-
<b>Balance at 31.03.2020</b>	-	-
Additions	488.37	488.37
Disposals	-	-
<b>Balance at 31.03.2021</b>	<b>488.37</b>	<b>488.37</b>
<b>Accumulated depreciation</b>		
<b>Balance at 01.04.2019</b>	-	-
Depreciation expense	-	-
<b>Balance at 31.03.2020</b>	-	-
Depreciation expense	7.20	7.20
<b>Balance at 31.03.2021</b>	<b>7.20</b>	<b>7.20</b>
<b>Carrying amount</b>		
<b>Balance at 31.03.2021</b>	<b>481.17</b>	<b>481.17</b>
<b>Balance at 31.03.2020</b>	-	-

During the current year, the Company has entered into lease agreements for the corporate office. Accordingly, the Company has recognised 'Right of Use' asset of Rs. 488.37 and corresponding lease liability of Rs. 478.14, at the present value of lease payments discounted at the weighted average incremental borrowing rate, payable as per lease agreements.

**NOURISHCO BEVERAGES LIMITED**  
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	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Note 5- Other financial assets</b>		
<b>Non-current</b>		
Fixed deposits with bank*	4.98	4.98
Security deposits	25.85	5.70
<b>Total</b>	<b>30.83</b>	<b>10.68</b>
*Fixed deposits are under lien with VAT / sales tax authorities.		
<b>Note 6 - Non-current tax assets</b>		
<b>Income tax assets</b>		
Advance income tax	216.28	167.54
Less: Provision for income tax	(7.16)	-
<b>Total</b>	<b>209.12</b>	<b>167.54</b>
<b>Note 7 - Other assets</b>		
<b>Non-current</b>		
Balances with government authorities	<b>24.46</b>	<b>54.12</b>
*Includes amount paid under protest Rs. 14.14 (previous year Rs. 41.87)		
<b>Note 8- Inventories</b> <b>(at the lower of cost and net realisable value)</b>		
Raw and packaging materials (see notes (iii) and (iv) below)	1,205.61	926.35
Finished goods - Beverages	725.39	455.42
<b>Total</b>	<b>1,931.00</b>	<b>1,381.77</b>
<b>Notes:</b>		
(i) Cost of inventories recognised as an expense during the year	12,578.90	12,479.98
(ii) Amount charged to statement of profit and loss for slow moving and obsolete inventories	146.52	176.12
(iii) Includes goods in transit	51.00	-
(iv) <b>Raw and packing material comprises:</b>		
Concentrate	193.06	91.83
Sugar	180.55	130.47
Juice	135.45	242.16
Pulp	9.87	-
Velcorin	13.18	-
Cups	147.65	182.45
Laminate	137.65	142.17
Other packaging materials	388.20	137.27
	<b>1,205.61</b>	<b>926.35</b>

The mode of valuation of inventories has been stated in note 2A.10

**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Note 9 - Trade receivables (unsecured)</b>		
<b>Current (see note 36.1.3)</b>		
i. Considered good	274.70	349.06
ii. Considered doubtful	167.79	147.88
Allowance for doubtful debts	(167.79)	(147.88)
<b>Total</b>	<b>274.70</b>	<b>349.06</b>

Note: Trade receivables include debts due from related party amounting to Rs. 201.24 (Previous year: Nil) (See note 34).

**Note 10 - Cash and cash equivalents**

Balances with banks		
- In current accounts	624.54	29.88
- In deposit accounts	1,900.00	1,100.00
<b>Total</b>	<b>2,524.54</b>	<b>1,129.88</b>

**Note 11- Other financial assets**

**Current  
(Unsecured, considered good)**

Interest accrued but not due on deposits	13.25	9.97
Security deposits	12.76	8.76
<b>Total</b>	<b>26.01</b>	<b>18.73</b>

**Note 12- Other assets**

**Current  
(Unsecured, considered good)**

Balances with government authorities	339.56	443.49
Prepaid expenses	94.12	30.11
Advance to suppliers	426.01	483.88
<b>Total</b>	<b>859.69</b>	<b>957.48</b>

**NOURISHCO BEVERAGES LIMITED**  
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	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Amount	Number of shares	Amount
<b>Note 13- Equity share capital</b>				
<b>SHARE CAPITAL</b>				
(a) <b>AUTHORISED</b>				
Equity shares of Rs. 10 per share (Previous year Rs. 10 per share) each with voting rights	219,000,000	21,900.00	219,000,000	21,900.00
(b) <b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
(i) Balance as at the beginning of the year	213,000,000	21,300.00	213,000,000	21,300.00
(ii) Changes in equity share capital during the year	-	-	-	-
<b>(iii) Balance as at the end of the year</b>	<b>213,000,000</b>	<b>21,300.00</b>	<b>213,000,000</b>	<b>21,300.00</b>

See notes (i) and (ii) below

**Notes:**

(i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

(ii) Details of shares held by each shareholder holding more than 5% shares

	As at 31.03.2021		As at 31.03.2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
PepsiCo India Holdings Private Limited, the Joint Venture Company	-	-	106,500,000	50.00%
Tata Consumer Products Limited (formerly Tata Global Beverages Limited), the Holding Company (previous year : Joint Venture Company)	213,000,000	100.00%	106,500,000	50.00%

During the current year, PepsiCo India Holdings Private Limited has sold 106,500,000 equity shares of the Company to Tata Consumer Products Limited pursuant to share purchase agreement dated 18 May 2020 executed amongst Tata Consumer Products Limited, PepsiCo India Holdings Private Limited and the Company. Accordingly, the Company has become wholly owned subsidiary of Tata Consumer Products Limited.

**NOURISHCO BEVERAGES LIMITED****Notes forming part of the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)*

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Note 14- Other equity</b>		
Retained earning	(17,453.72)	(19,295.50)
<b>14.1 Retained earning</b>		
Balance at the beginning of the year	(19,295.50)	(19,100.33)
Add: Profit/(Loss) for the year	1,840.17	(190.98)
Other comprehensive income/ (loss) for the year	1.61	(4.19)
<b>Balance at the end of the year</b>	<b>(17,453.72)</b>	<b>(19,295.50)</b>
<b>Note 15- Provisions</b>		
<b>Non current</b>		
Provision for employee benefits (see note 35)		
- Gratuity	<b>70.20</b>	<b>30.54</b>
<b>Current</b>		
Provision for employee benefits (see note 35)		
- Compensated absences	43.09	18.77
- Gratuity	4.82	3.85
<b>Total</b>	<b>47.91</b>	<b>22.62</b>

**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Note 16- Trade payables</b>		
Other than acceptances		
(i) Total outstanding dues of micro enterprises and small enterprises (see note below)	537.44	65.38
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,345.77	2,157.41
<b>Total</b>	<b>2,883.21</b>	<b>2,222.79</b>

**Note:**

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

(a) (i) the principal amount remaining unpaid to any supplier	537.44	65.38
(ii) interest due thereon	-	-
(b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) interest accrued and remaining unpaid	-	-
(e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

**Note 17 - Other liabilities**

**Current**

Advance from customers	778.88	226.81
Statutory dues	62.73	82.11
<b>Total</b>	<b>841.61</b>	<b>308.92</b>

**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
<b>Note 18 - Revenue from operations</b>		
<b>Revenue from contract with customers</b>		
Sale of products (Beverage) (see note 39)	17,342.43	17,394.57
<b>Other operating revenue</b>		
- Product commercialisation support (see note 32)	531.46	598.60
- Business support services (see note 31)	924.15	-
<b>Total revenue from operations</b>	<b>18,798.04</b>	<b>17,993.17</b>
<b>Note 19 - Other income</b>		
Interest income on financial assets measured at amortised cost:		
- Bank deposits	24.32	89.33
- Security deposits	0.38	-
Interest on income tax refund	4.13	-
Other gains and losses - Other recoveries	-	61.09
<b>Total other income</b>	<b>28.83</b>	<b>150.42</b>
<b>Note 20 - Cost of materials consumed</b>		
Opening stock	926.35	555.17
Add: Purchases of materials	11,450.96	10,649.78
Less: Closing stock	1,205.61	926.35
<b>Total cost of materials consumed</b>	<b>11,171.70</b>	<b>10,278.60</b>
<b>Cost of materials consumed comprises</b>		
Concentrate	844.82	847.51
Sugar	1,415.45	1,372.43
Juice	1,154.54	1,315.15
Pulp	0.92	-
Velcorin	0.72	-
Cups	1,867.11	1,915.34
Laminate	534.73	817.17
Other packaging materials	5,353.41	4,011.00
	<b>11,171.70</b>	<b>10,278.60</b>
<b>Note 21 - Changes in inventories of finished goods and stock-in-trade</b>		
Inventories at the beginning of the year:		
Stock-in-trade	-	5.88
Finished goods	455.42	56.41
	<b>455.42</b>	<b>62.29</b>
Inventories at the end of the year:		
Stock-in-trade	-	-
Finished goods	725.39	455.42
	<b>725.39</b>	<b>455.42</b>
<b>Net decrease/(increase)</b>	<b>(269.97)</b>	<b>(393.13)</b>



**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
<b>Note 22 - Employee benefit expense</b>		
Salaries and wages	875.29	523.97
Contribution to provident and other funds (see note 35)	38.97	25.89
Gratuity (see note 35)	10.50	9.30
Staff welfare expense	1.41	5.29
	<b>926.17</b>	<b>564.45</b>
<b>Note 23 - Finance costs</b>		
Interest expense on Lease Liabilities	2.70	-
	<b>2.70</b>	<b>-</b>
<b>Note 24 - Depreciation expense</b>		
Depreciation on property, plant and equipment	61.72	55.95
Depreciation on Right-to-use asset	7.20	-
	<b>68.92</b>	<b>55.95</b>
<b>Note 25 - Other expenses</b>		
Repairs and maintenance:		
- Plant and equipment	7.42	10.25
- Others	24.02	60.56
Travel and conveyance	89.68	173.13
Rent (see note 33)	24.79	41.73
Rates and taxes	22.64	43.96
Royalty	46.43	174.19
Insurance	47.79	33.83
Advertising and marketing	195.78	771.40
Selling and distribution	1,134.99	894.46
Allowance for doubtful trade receivables	19.91	85.98
Contract manufacturing, job work and related expenses	426.70	272.14
Freight	1,750.21	1,888.31
Legal and professional	880.54	759.58
Payment to auditors (see note below)	19.67	19.30
Miscellaneous expenses	22.33	5.37
<b>Total</b>	<b>4,712.90</b>	<b>5,234.19</b>
<b>Note:</b>		
Payments to the auditors comprises payments (excluding tax)		
To Statutory auditors		
- For audit	12.33	12.33
- For tax audit	2.00	1.50
- For group reporting	4.00	4.00
- Reimbursement of expenses	1.34	1.47
	<b>19.67</b>	<b>19.30</b>

			<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Note 26.1 - Deferred tax balances</b>				
<b>A. The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:</b>				
(i) Deferred tax asset (refer details below)			1,309.51	39.11
(ii) Deferred tax liability (refer details below)			-	(39.11)
			<b>1,309.51</b>	<b>-</b>
	<b>Opening Balance</b>	<b>Recognised in Profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Closing balance</b>
<b>i Financial year 2020-21</b>				
<b>Deferred tax assets in relation to:</b>				
Provision for employee benefits	-	72.50	(0.54)	71.96
Unutilised income tax losses	39.11	1,135.65	-	1,174.76
Unabsorbed depreciation	-	104.75	-	104.75
	<b>39.11</b>	<b>1,312.90</b>	<b>(0.54)</b>	<b>1,351.47</b>
<b>Deferred tax liabilities in relation to:</b>				
Property, plant and equipment	39.11	2.85	-	41.96
<b>Deferred tax assets / (liabilities) (net)</b>	<b>-</b>	<b>1,310.05</b>	<b>(0.54)</b>	<b>1,309.51</b>
<b>ii Financial year 2019-20</b>				
<b>Deferred tax assets in relation to:</b>				
MAT credit entitlement	3.09	(3.09)	-	-
Unabsorbed depreciation	42.13	(3.02)	-	39.11
	<b>45.22</b>	<b>(6.11)</b>	<b>-</b>	<b>39.11</b>
<b>Deferred tax liabilities in relation to:</b>				
Property, plant and equipment	42.13	(3.02)	-	39.11
<b>Deferred tax assets / (liabilities) (net)</b>	<b>3.09</b>	<b>(3.09)</b>	<b>-</b>	<b>-</b>

As at 31 March 2020, the Company has carry forward tax losses and unabsorbed depreciation (refer to note B below) on which the Company has recognised deferred tax assets only to the extent of deferred tax liability amounting to Rs. 39.11. No deferred tax asset has been created on the balance amount by the management due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be realised. Had the Company been able to recognise all unrecognised deferred tax assets, the net profit after tax would have been higher by Rs. 1,571.74.

**B. Unrecognised deductible temporary differences, unused tax losses and unused tax credit**

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- with no expiry date	-	353.82
- with expiry date*	7,847.63	16,195.42
	<b>7,847.63</b>	<b>16,549.24</b>

No deferred tax asset was recognised as at 31 March 2020 for the reason stated in 26.1.A above.

At the 31 March 2021, the Company has unused tax credits (comprising of unused tax losses and unabsorbed depreciation) of Rs. 12,931.51 available for offset against future profits. The Company estimates to earn profits in the future and it is probable that taxable profits will be available against which unused tax losses and unabsorbed depreciation to the extent of Rs. 5,083.88 will be utilised. Accordingly, the Company has recognised deferred tax assets (net) aggregating to Rs. 1,309.51 on unused tax losses, unabsorbed depreciation and other temporary differences as at 31 March 2021 (Also refer note 31)

Included in unused tax credits, unutilised tax losses of Rs. 7,847.63 (As at 31 March 2020: Rs.16,195.42) will expire in next 5 years. Other credits may be carried forward indefinitely.

**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

**Note 26.2 - Income taxes**

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>A Income tax recognised in profit or loss</b>		
<b>i. Current tax</b>		
In respect of current year	7.16	-
In respect of prior years	-	(3.09)
	<b>7.16</b>	<b>(3.09)</b>
<b>ii. Deferred tax (see note 26.1)</b>		
In respect of the current year	(1,310.05)	3.09
In respect of prior years	-	-
<b>Total tax expense charged / (credited) in Profit and Loss</b>	<b>(1,302.89)</b>	<b>-</b>
<b>iii. The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit / (Loss) before tax	537.28	(190.98)
Enacted tax rate in India	25.17%	23.55%
Income tax expense calculated at enacted tax rate	135.23	(44.97)
Effect of timing difference on unused tax losses on which deferred tax asset is not recognised	-	44.97
Effect of unused tax losses, unabsorbed depreciation and timing differences recognised as deferred tax assets relating to previous years but recognised in the current year, for reasons as more fully stated in note 26.1.B	(1,438.12)	-
<b>Total tax expense charged / (credited) in Profit and Loss</b>	<b>(1,302.89)</b>	<b>-</b>
<p>The taxation laws (Amendment) Ordinance 2019, had introduced a new taxation regime for domestic companies and has inserted Section 115BAA in the Income Tax Act 1961, providing benefit of reduced corporate tax rate subject to certain applicable conditions. The newly inserted provisions is effective from 1 April 2019 onwards and can be opted for, on or before the due date of filing of return of income by the Company. The Company has exercised the option of lower tax rates, and consequent tax impact for the period has been considered.</p>		
<b>B Income tax recognised in other comprehensive income</b>		
<b>Deferred tax (see note 26.1)</b>		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurements of post-employment benefit obligation	0.54	-
<b>Total tax expense charged / (credited) in other comprehensive income</b>	<b>0.54</b>	<b>-</b>

**Note 27- Contingent liabilities and commitments**

**A. Contingent liabilities : Claims against the Company not acknowledged as debts**

- i. For Assessment year 2012-13, the Income Tax Assessing Officer (AO) has completed the re-assessment proceeding and has made an addition of provision of expenses amounting to Rs 584.93 to returned loss and consequently the returned loss was reduced to Rs 1,705.10. The Company has filed an appeal before Commissioner of Income Tax (Appeals). Based on the advice of its consultants and merits of the case, the Management expects that no tax liability is likely to arise on the Company.

During the current year, the Company has opted for Vivad Se Vishwas scheme withdrawing appeal pending with CIT (A), which is pending to be adjudicated by the tax authorities.

- ii. For Assessment Year 2019-20 the Company has received 143(1) assessment order with an additional disallowance of Rs. 191.74 with respect to which the Company has filed an appeal with CIT(A). This being a technical error in the 143(1) assessment and management expects that no tax liability is likely to arise on the Company.

The Company is contesting the demands of income tax and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised

- iii. For financial year 2014-15, the Company has received a demand of Rs. 9.04 due to non submission of statutory forms in relation to Central Sales Tax for the state of Gujarat.

The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

**B. Commitments:**

- i. Capital Commitments - estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances) - Rs. 26.82 (Previous year: Rs. Nil)
- ii. The agreement with Co-packers have commitment towards minimum production / volume guarantee.

**Note 28- Expenditure in foreign currency**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Advertising and marketing	-	18.65

**Note 29 - Segment reporting**

The Company is primarily engaged in the business of manufacturing, trading, selling, marketing and distributing beverages. Based on the information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segment Reporting'.

**29.1 Geographical information**

- (a) Information regarding geographical revenue from operations is as follows:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
India	18,798.04	17,993.17
Outside India	-	-
	<b>18,798.04</b>	<b>17,993.17</b>

- (b) Information regarding geographical non-current assets is as follows:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
India	1,205.44	741.77
Outside India	-	-
	<b>1,205.44</b>	<b>741.77</b>

**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**  
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(c) Information about major customers contributing more than 10% for revenue from operations:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Customer A	-	2,525.64

During the current year, none of the customer contribute more than 10% of revenue from operations.

(d) Of the trade receivable balance at the year end, Company's largest customer who represents more than 10% of the total trade receivable are as follows:

Particulars	As at 31.03.2021	As at 31.03.2020
Customer A	-	206.18
Customer B	173.98	-

**Note 30- Earnings per share**

Basis / diluted earnings per shares has been computed by dividing net profit after tax by the weighted-average number of equity shares outstanding for the year.

Particulars	Unit	Year ended 31.03.2021	Year ended 31.03.2020
a. Profit/(Loss) for the year	(Rs./ Lakhs)	1,840.17	(190.98)
b. Weighted average number of equity shares used in computing the basic and diluted earnings per share	No. of shares	213,000,000	213,000,000
c. Earnings per share basic and diluted	(Rs.)	0.86	(0.09)

**Note 31 - Business Support Services**

During the year, the Company has entered into agreement with Tata Consumer Products Limited (TCPL, the Holding Company) effective 1 November 2020 to operate as manufacturing partner of the specific ready to drink products for the brands owned by TCPL and also engage in distribution, sale and sales promotion of ready to drink products. Pursuant to the Agreement, for the activities undertaken, the Company shall be remunerated at a fixed margin on cost and no separate product commercialisation support fee will be charged based on the revised operating business model. Any shortfall in fixed margin on cost shall be compensated by TCPL as 'Business Support Services'. The Company has recorded 'Business Support Services' income of Rs. 924.15 for the period from 1 November 2020 to 31 March 2021.

**Note 32- Product Commercialisation Support**

Revenue from product commercialisation support aggregating to Rs. 531.46 (previous year Rs. 598.60) relates to support provided by the Company to Tata Consumer Products Limited (TCPL) (formerly Tata Global Beverages Limited) for commercialisation of Himalayan brand beverages. As per the revised operating business model (See Note 31 for details), Product commercialisation support fee is not charged from 1 November 2020.

**NOURISHCO BEVERAGES LIMITED****Notes forming part of the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***Note 33 - Leases**

The Company's leasing arrangements are in respect of operating leases for office premises. These are for 6 years and usually renewable on mutually agreed terms.

**Lease liabilities**

	<b>As at</b> <b>31.03.2021</b>	<b>As at</b> <b>31.03.2020</b>
Current Lease Liability	56.41	-
Non-Current Lease Liability	416.10	-
<b>Total Lease Liability</b>	<b>472.51</b>	<b>-</b>

**Contractual maturities of lease liabilities on an undiscounted basis:**

Less than one year	86.61	-
One to two years	86.61	-
Two to five years	314.86	-
More than five years	91.63	-
<b>Total</b>	<b>579.71</b>	<b>-</b>

**Amount Recognised in Statement of Profit and Loss**

	<b>Year ended</b> <b>31.03.2021</b>	<b>Year ended</b> <b>31.03.2020</b>
Depreciation charge for Right-of-use assets	7.20	-
Interest expenses (included in finance costs)	2.70	-
Expenses relating to short - term leases (included in other expenses)	24.79	41.73

**Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in Company's operation.

**Note 34- Related party disclosures**

**(a) Related party and nature of related party relationship  
(with whom transactions have taken place during the year)**

Tata Consumer Products Limited (TCPL) (formerly Tata Global Beverages Limited - TGBL)  
(Holding Company w.e.f. 18 May 2020) (Joint Venture Partner upto 17 May 2020)  
PepsiCo India Holdings Private Limited (PIH) (Joint Venture Partner upto 18 May 2020)

**Entity subject to control from Holding Company or Joint Venture Partner (with whom transactions have taken place during the year)**

Tata Starbucks Private Limited (TSPL)

**Key Management Personnel**

Mr Vikram Singh Grover - CEO & Managing Director (w.e.f. 28 May 2020)  
Ms. Deepika Warriar - CEO & Managing Director (w.e.f. 15 April 2019 upto 18 May 2020)  
Mr. Ajit Dheer - CEO & Managing Director (upto 15 April 2019)  
Mr. SasiKumar PK, CFO

**(b) Transactions and outstanding balances with related parties during the year ended 31 March 2021:**

Particulars	Holding Company / Joint Venture Partners*		Entity subject to control from Holding Company or Joint Venture Partner	Total
	PIH	TCPL	TSPL	
<b>I. Transactions during the year</b>				
Sale of products - Beverages	- (174.42)	12.23 (19.47)	74.10 (44.42)	<b>86.33</b> (238.31)
Product commercialisation support revenue	- (-)	531.46 (598.60)	- (-)	<b>531.46</b> (598.60)
Business support services revenue	- (-)	924.15 (-)	- (-)	<b>924.15</b> (-)
Purchases of stock-in-trade	- (-)	1,677.17 (2,451.21)	- (-)	<b>1,677.17</b> (2,451.21)
Purchases of raw materials	122.71 (717.15)	128.33 (119.41)	- (-)	<b>251.04</b> (836.56)
Other expenses (including Rent, Selling & Distribution, Travel & Conveyance, Insurance, Advertising & Marketing, Contract manufacturing and Royalty)	127.68 (275.73)	77.91 (85.90)	- (-)	<b>205.60</b> (361.63)
Legal and professional expenses**	74.39 (311.67)	545.32 (158.58)	- (-)	<b>619.71</b> (470.25)
Payment collected on behalf of the Company	- (25.84)	- (-)	- (-)	- (25.84)
Reimbursement of expenses (received from)	- (-)	86.37 (-)	- (-)	<b>86.37</b> (-)
<b>II. Outstanding balances at the year end:</b>				
Trade receivables	- (-)	173.98 (-)	27.25 (-)	<b>201.24</b> (-)
Advance from customers	- (-)	- (-)	- (1.02)	- (1.02)
Trade payables	- (700.56)	- (335.04)	- (-)	- (1,035.60)

Previous year figures are in brackets.

\*PepsiCo India Holdings Private Limited (PIH) transactions are disclosed only upto 18 May 2020. Tata Consumer Products Limited (TCPL) was a Joint Venture Partner upto 17 May 2020 and w.e.f. 18 May 2020, the Company has become a wholly owned subsidiary of TCPL.

\*\* Includes key managerial remuneration cross charged by PIH Rs. 20.52 (previous year Rs. 194.39 ) for Ms. Deepika Warriar and by TCPL Rs. 198.04 (previous year Rs. Nil) for Mr. Vikram Singh Grover and Rs 98.69 (previous year Rs. 78.10) for Mr. Sasikumar PK.

**Note 35: Employee benefits**

The Company participates in defined contribution and benefit schemes. For defined contribution schemes the amount charged to the statement of profit or loss is the total of contributions payable in the year.

**I. Defined contribution plan**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company recognised Rs. 38.97 (previous year Rs. 25.89) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme. As at 31 March, 2021, contribution of Rs. 7.97 (previous year Rs. 4.81) representing amount payable to the Employee Provident Fund in respect of FY 2020-21 (FY 2019-20) reporting period had not been paid to the plans. The amounts were paid subsequently to the end of respective reporting periods.

**II. Defined benefit plan – Gratuity plan**

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years service.

**A. Principal actuarial assumptions:**

Principle actuarial assumption used to determine the present value of the benefit obligation are as follows:

S. Particulars No.	Refer note below	Year ended 31.03.2021	Year ended 31.03.2020
i. Discount rate (p.a.)	1	6.45%	6.15%
ii. Salary escalation rate (p.a.)	2	8.00%	9.00%
iii. Expected rate of return on assets (p.a)	3	Not applicable	Not applicable
iv. Attrition rate (age)			
- 21-40 years		15.00%	15.00%
- 41-50 years		15.00%	15.00%
- 51-59 years		15.00%	15.00%

**Notes:**

- The discount rate is based on the prevailing market yields of Indian government securities as at 8 March 2021 for the estimated term of the obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Gratuity plan is unfunded.

**Demographic assumptions:**

i. Retirement age	60 Years	60 Years
ii. Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
iii. Average Outstanding service of Employee upto retirement	22.88 years	23.62 years
iv. Number of employees	66	37

**B. The following tables set out the amounts recognised in the Company's financial statements:**

S. Particulars No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>Change in benefit obligations:</b>		
i. Present value of obligations at the beginning of year	34.39	28.37
ii. Current service cost	8.50	7.31
iii. Interest cost	2.00	1.99
iv. Actuarial gain/(loss) on obligation	(2.15)	4.19
v. Gratuity liability transferred from Group Companies	46.83	-
vi. Benefits (settled)	(14.55)	(7.47)
<b>Present value of obligations at the end of the year</b>	<b>75.02</b>	<b>34.39</b>



**NOURISHCO BEVERAGES LIMITED**  
**Notes forming part of the financial statements**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

	As at 31.03.2021	As at 31.03.2020
<b>Net Liability/(surplus)</b>		
Present value of defined benefit obligation	75.02	34.39
Fair value of plan assets	-	-
	<b>75.02</b>	<b>34.39</b>

S. No.	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
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**Expenses recognised in the Statement of Profit and Loss:**

i.	Current service cost	8.50	7.31
ii.	Interest cost	2.00	1.99
	<b>Net charge/(credit) (D=A+B+C)</b>	<b>10.50</b>	<b>9.30</b>

**Expenses recognised in the other comprehensive income:**

i.	Actuarial (gains)/losses due to change in financial assumptions	(3.63)	4.85
ii.	Actuarial (gains)/losses due to change in experience variance	1.48	(0.66)
	<b>Total</b>	<b>(2.15)</b>	<b>4.19</b>

**C. Sensitivity Analysis**

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

**i. Changes in Defined benefit obligation due to 0.50% Increase/Decease in Discount Rate, if all other assumptions remain constant.**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Defined benefit obligation	75.02	34.39
b) Defined benefit obligation at 0.50% Increase in Discount rate	73.98	33.22
c) Defined benefit obligation at 0.50% Decrease in Discount rate	76.90	35.63
d) Decrease in Defined benefit obligation due to 0.50% increase in discount rate. (a-b)	1.04	1.17
e) Increase in Defined benefit obligation due to 0.50% decrease in discount rate. (c-a)	1.88	1.24

**ii. Changes in Defined benefit obligation due to 0.50% Increase/Decease in Expected rate of Salary Escalation, if all other assumptions remain constant.**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Defined benefit obligation	75.02	34.39
b) Defined benefit obligation at 0.50% Increase in salary escalation	76.71	35.44
c) Defined benefit obligation at 0.50% Decrease in salary escalation	74.12	33.37
d) Increase in Defined benefit obligation due to 0.50% increase in	1.69	1.05
e) Decrease in Defined benefit obligation due to 0.50% decrease in	0.90	1.02

**iii. Changes in Defined benefit obligation due to 0.50% Increase/Decease in Mortality Rate, if all other assumptions remain constant is negligible.**

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumptions please refer to Table 1 above, where assumptions for prior period, if applicable, are given.

**NOURISHCO BEVERAGES LIMITED****Notes forming part of the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)*

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**D. Risks associated with Plan Provisions**

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) interest risk (discount rate risk), (ii) mortality risk and (iii) salary risk.

Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability.
Mortality risk	<p>The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table.</p> <p>A change in mortality rate will have a bearing on the plan's liability.</p>
Salary risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**III. Compensated absences**

The provision for compensated absence covers earned leave. The amount of provision of Rs. 43.09 (previous year Rs. 18.77) is presented as current, since the Company does not have unconditional right to defer the settlement for any of these obligations.

**NOURISHCO BEVERAGES LIMITED****Notes forming part of the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***Note 36 - Financial Instruments****Note 36.1 - Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholder through optimisation of debt and equity balances. The management reviews the capital structure of the Company on a quarterly basis. As part of this review, management consider cost of capital and risk associated with each class of capital.

**Note 36.1.1 - Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Debt (refer note i below)	-	-
Cash and bank balances (refer note (ii) below)	2,524.54	1,129.88
<b>Net debt</b>	<b>(2,524.54)</b>	<b>(1,129.88)</b>
<b>Total equity</b>	<b>3,846.28</b>	<b>2,004.50</b>
Net debt to equity ratio (refer note (iii) below)	-	-

**Note:**

(i) The Company does not have any debt as at 31 March 2021 and 31 March 2020.

(ii) Cash and bank balance is defined as cash and cash equivalents and bank balance other than cash and cash equivalents.

(iii) As the Company did not have any debt as at 31 March 2021 and 31 March 2020 hence net debt to equity ratio is not computed.

**Note 36.1.2 - Categories of financial instruments**

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Financial assets (non - current)</b>		
<u>Measured at amortised cost</u>		
- Other financial assets	30.83	10.68
<b>Financial assets (current)</b>		
<u>Measured at amortised cost</u>		
(a) Trade receivables	274.70	349.06
(b) Cash and cash equivalents	2,524.54	1,129.88
(c) Other financial assets	26.01	18.73
<b>Financial liabilities (non - current)</b>		
<u>Measured at amortised cost</u>		
- Lease liability	416.10	-
<b>Financial liabilities (current)</b>		
<u>Measured at amortised cost</u>		
(a) Lease liability	56.41	-
(b) Trade payables	2,883.21	2,222.79

**NOURISHCO BEVERAGES LIMITED****Notes forming part of the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***Note 36.1.3 : Financial risk management**

The Company's activities expose it to liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's risk management is carried out by a internal management team under policies agreed with the board of directors. Management team identifies, evaluate and take corrective measures for assessed financial risks. The board agrees with the principles for overall risk management, as well as policies covering such areas.

**A Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits and credit exposures to customers including outstanding receivables.

**(i) Credit risk management**

Balance with banks is subject to low credit risk as these balances are with banks having good credit ratings. Security deposits are the assets where the counter-party has strong capacity to meet the obligations and the risk of default is negligible.

For trade receivable balances, company assesses and manages credit risk based on internal evaluation of the customer which includes reviewing the credit history and track record with Company and with the joint venture partner companies. Separate team within the finance function performs this assessment.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are included :

- Internal credit rating;
- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**(ii) Provision for expected credit losses**

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

**Year ended 31 March 2021:**

Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	91-180 days past due	More than 180 days past due*	Total
Gross carrying amount	263.43	5.99	0.77	172.30	<b>442.49</b>
Expected loss rate	0-1%	2-5%	5-7%	70-100%	
Expected credit losses (Loss allowance provision)	2.63	0.15	0.04	164.97	<b>167.79</b>
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>260.80</b>	<b>5.84</b>	<b>0.73</b>	<b>7.33</b>	<b>274.70</b>

**Year ended 31 March 2020:**

Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past due	91-180 days past due	More than 180 days past due	Total
Gross carrying amount	179.08	82.40	32.74	202.72	<b>496.94</b>
Expected loss rate	0-1%	2-5%	5-7%	70-100%	
Expected credit losses (Loss allowance provision)	2.00	2.00	2.00	141.88	<b>147.88</b>
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>177.08</b>	<b>80.40</b>	<b>30.74</b>	<b>60.84</b>	<b>349.06</b>

The gross carrying amount of trade receivables is Rs. 468.69 (previous year: Rs. 496.94). The Company has written off Rs. Nil (previous year: Rs Nil) trade receivable balances during the year.

**NOURISHCO BEVERAGES LIMITED****Notes forming part of the financial statements***(All amounts in Rs. lakhs, unless otherwise stated)***(iii) Reconciliation of loss allowance provision – Trade receivables**

<b>Particulars</b>	<b>Amount</b>
Loss allowance as on 1 April 2019	60.77
Changes in loss allowance	87.11
<b>Loss allowance as on 31.03.2020</b>	<b>147.88</b>
Changes in loss allowance	19.91
<b>Loss allowance as on 31.03.2021</b>	<b>167.79</b>

**B Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash. The management, based on the business plan for the year, estimates the funding requirements for the business which is reviewed and approved by board of directors, maintains funding requirements for the business. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

**(i) Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**Contractual maturities of financial liabilities:**

	<b>0-90 days</b>	<b>Total</b>
<b>As at 31 March 2021</b>		
<b>Non-derivatives</b>		
Trade payables	2,883.21	2,883.21
<b>Total non-derivative liabilities</b>	<b>2,883.21</b>	<b>2,883.21</b>
<b>31 March 2020</b>		
<b>Non-derivatives</b>		
Trade payables	2,222.79	2,222.79
<b>Total non-derivative liabilities</b>	<b>2,222.79</b>	<b>2,222.79</b>

**Note 36.1.4: Reconciliation of liabilities arising from financing activities**

The Company do not have any external borrowings, there is no non-cash changes in the Company's liabilities arising from financing activities.

**Note 37 - Operational outlook**

The Company has accumulated losses of Rs. 17,453.72 as at 31 March 2021 (As at 31 March 2020: Rs. 19,295.50), resulting in substantial erosion of the net worth of the Company. The current assets exceed the current liabilities by Rs 1,778.12 (As at 31 March 2020: Rs. 1,282.59) and the Company estimates to earn profits in future as per the revised operating business model (See Note 31 for details).

Further, the Holding Company has confirmed that the Company will continue to operate as a manufacturer and distributor of its brand in ready to drink beverages / TCPL products under revised operating business model and has also confirmed its commitment to make available requisite financial support for continued operations of the Company as and when required by the Company.

In view of the matters stated above, the management believes that it is appropriate to prepare the financial statements on a going concern basis. Accordingly, these accounts do not include any adjustment relating to recoverability and classification of asset and liabilities that may have been otherwise necessary.

**Note 38- Estimation uncertainty relating to the global health pandemic on COVID-19**

The Management has considered the possible effects which may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables, other current assets and inventories. The Company has performed sensitivity analysis on the business assumptions used and based on current indicators of future economic conditions and budget for the next financial year for the company, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different 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.

**Note 39- Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Revenue as per contracted price	19,590.00	18,986.55
<b>Adjustments:</b>		
Discounts, rebates & incentives etc.	2,247.57	1,591.98
Revenue from contracts with customers	<b>17,342.43</b>	<b>17,394.57</b>

**NOURISHCO BEVERAGES LIMITED**

**Notes forming part of the financial statements**

*(All amounts in Rs. lakhs, unless otherwise stated)*

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**Note 40 -** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Note 41 -** The Company did not have any long term commitments/contracts including derivative contracts for which there were any material foreseeable losses.

**Note 42 - Approval of financial statements**

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors on 27 April 2021.

**For and on behalf of board of directors of  
NOURISHCO BEVERAGES LIMITED**

**Vikram Singh Grover**  
CEO and Managing Director  
DIN : 07596291  
Place: Bengaluru

**L. KrishnaKumar**  
Director  
DIN : 00423616  
Place: Mumbai

**Sasikumar PK**  
Chief Financial Officer  
Place: Cochin

**Swati Gupta**  
Company Secretary  
Place: Gurugram