

**INDEPENDENT AUDITOR'S REPORT**

To the Members of MTR Foods Private Limited

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

We have audited the accompanying consolidated financial statements of MTR Foods Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint venture comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, associate and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

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



**Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

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



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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 250 Lakhs as at March 31, 2023, and total revenues of Rs 469 Lakhs and net cash inflows of Rs 27 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the Management. The consolidated financial statements also include the Group's share of net profit of Rs. 119 Lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of an associate and a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of Sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

The joint venture is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their country and which have been audited by other auditors under generally accepted auditing standards applicable in their country. The Holding Company's Management has converted the financial statements of such joint venture located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.



Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received as on March 31, 2023, from the directors of the Holding Company and subsidiary companies of which we are the statutory auditors, taken on record by the Board of Directors of the Holding Company and such subsidiary companies and on the basis of the reports of the statutory auditors who are appointed under Section 139 of the Act, of other subsidiary companies and associate company, none of the directors of the Group's companies and its associate company, incorporated in India, is disqualified as on March 31, 2023 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Act (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us and on consideration of the reports of the other auditors of subsidiary companies and associate company, the said report on internal financial controls is not applicable to such subsidiary companies and associate company, basis the exemption available to these companies under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to consolidate financial statements.
  - (g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries and associate incorporated in India for the year ended March 31, 2023;



- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint venture, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture in its consolidated financial statements – Refer Note 45(a) to the consolidated financial statements;
  - ii. The Group, its associate and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2023.
  - iv. a) The respective Managements of the Holding Company and its subsidiaries, and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, as disclosed in the note 55(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective Managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, as disclosed in the note 55(v) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and associate company, incorporated in India.



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

Chartered Accountants

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associate company incorporated in India, hence reporting under this clause is not applicable.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sunil Gaggar

Partner

Membership Number: 104315

UDIN: 23104315BGXPZF9356



Place: Bengaluru

Date: September 19, 2023



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

Chartered Accountants

## **Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

Based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of the subsidiary companies and its associate incorporated in India, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No	Name	CIN	Holding company/ subsidiary/ associate	Clause number of the CARO report which is qualified or is adverse
1	MTR Foods Private Limited	U15136KA1996PTC021007	Holding Company	(iii)(c), (iii)(d) and (vii)(a)
2	Rasoi Magic Foods (India) Private Limited	U15400KA2007PTC062356	Subsidiary Company	(ix)(a) and (ix)(d)

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sunil Gagger  
Partner

Membership Number: 104315

UDIN: 23104315BGXPZF9356



Place: Bengaluru

Date: September 19, 2023

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

Chartered Accountants

## **Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of MTR Foods Private Limited**

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

In conjunction with our audit of the consolidated financial statements of MTR Foods Private Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding





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

Chartered Accountants

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 with reference to Consolidated Financial Statements**

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


## **Opinion**

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per   
Partner

Membership Number: 104315

UDIN: 23104315BGXPZF9356



Place: Bengaluru

Date: September 19, 2023

**MTR Foods Private Limited**
**Consolidated Balance Sheet as at March 31, 2023**

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	36,181	38,381
Capital work-in-progress	3	7,389	308
Right-of-use assets	4a	4,620	4,615
Goodwill	5	101,186	101,186
Other intangible assets	5	59,296	60,282
<b>Financial assets</b>			
Investment in associate and joint venture	6a	2,047	1,871
Other investments	6b	-	-
Loans	7	567	542
Other financial assets	8	969	986
Other non-current assets	9	617	493
Income tax assets (net)	10	8,076	1,568
Deferred tax assets (net)	11	16	877
		<b>220,964</b>	<b>211,109</b>
<b>Current assets</b>			
Inventories	12	35,011	31,014
<b>Financial assets</b>			
Investments	6c	23,458	18,189
Trade receivables	13	11,602	9,908
Loans	14	227	206
Cash and cash equivalents	15	2,461	1,440
Bank balances other than above	16	5,000	-
Other financial assets	17	5,283	2,870
Other current assets	18	6,190	5,412
		<b>89,232</b>	<b>69,039</b>
<b>Total assets</b>		<b>310,196</b>	<b>280,148</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	19	1,233	1,233
Other equity	20	222,728	188,914
<b>Total equity</b>		<b>223,961</b>	<b>190,147</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	4b	5,253	5,224
Borrowings	21	377	401
Other financial liabilities	27a	582	354
Government grants	22	107	107
Deferred tax liabilities (net)	11	7,220	16,971
Provisions	23	192	1,495
Other non-current liabilities	24	112	93
		<b>13,843</b>	<b>24,645</b>



**MTR Foods Private Limited****Consolidated Balance Sheet as at March 31, 2023**

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	4b	736	604
Borrowings	25	3,122	3,135
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	26	10,588	10,138
Total outstanding dues of creditors other than micro enterprises and small enterprises	26	14,487	11,170
Other financial liabilities	27b	39,714	36,650
Other current liabilities	28	1,452	1,460
Provisions	29	2,293	1,776
Current tax liabilities (net)	30	-	423
		<b>72,392</b>	<b>65,356</b>
<b>Total liabilities</b>		<b>86,235</b>	<b>90,001</b>
<b>Total equity and liabilities</b>		<b>310,196</b>	<b>280,148</b>

Summary of significant accounting policies

2.2 &amp; 2.3

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

As per our report of even date



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

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per   
Partner

Membership no.: 104315

**For and on behalf of the board of directors of  
MTR Foods Private Limited**  
Atle Vidar Johnsen  
Chairman  
DIN: 01361367  
Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107  
B.G. Shenoy  
Chief Financial Officer  
Ragee Raju  
Company Secretary  
(Membership no: F11322)

Place: Bengaluru

Date: September 19, 2023

Place: Bengaluru

Date: September 19, 2023



MTR Foods Private Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2023  
(All amounts are in Indian Rupees Lakhs except share data and per share data, unless stated otherwise)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	31	217,248	183,752
Other income	32	2,896	1,546
<b>Total income</b>		<b>220,144</b>	<b>185,298</b>
<b>Expenses</b>			
Cost of raw materials and packing materials consumed	33	119,401	94,462
Purchase of traded goods	34	5,928	15,494
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	35	1,452	(680)
Employee benefits expense	36	22,772	20,716
Depreciation and amortisation expense	37	5,541	5,639
Finance costs	38	2,708	2,947
Other expenses	39	36,570	29,971
<b>Total expenses</b>		<b>194,372</b>	<b>168,549</b>
<b>Profit before share of profit/(loss) of associate &amp; joint venture, exceptional items and tax</b>		<b>25,772</b>	<b>16,749</b>
Exceptional item	6a	(200)	-
<b>Profit before tax and share of profit/(loss) of associate and joint venture</b>		<b>25,572</b>	<b>16,749</b>
Share of profit/(loss) from associate and joint venture	43	119	(62)
<b>Profit before tax</b>		<b>25,691</b>	<b>16,687</b>
<b>Tax expense:</b>			
- Current tax	40	609	5,416
- Tax relating to earlier years	40	(10)	(3)
- Deferred tax credit	40	(8,821)	(444)
<b>Total tax expense</b>		<b>(8,222)</b>	<b>4,969</b>
<b>Profit for the year</b>		<b>33,913</b>	<b>11,718</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>			
(a) Re-measurement losses on defined benefit plans	41	(273)	(20)
Income tax effect on above	40	69	5
(b) Fair value losses on equity instruments		-	(39)
Income tax effect on above	40	-	10
		<b>(204)</b>	<b>(44)</b>
<b>Items that will be reclassified to profit or loss in subsequent periods:</b>			
(a) Exchange differences on translation of foreign operations		57	23
Income tax effect on above		-	-
		<b>57</b>	<b>23</b>
<b>Total other comprehensive income/(loss) for the year, net of tax</b>		<b>(147)</b>	<b>(21)</b>
<b>Total comprehensive income for the year</b>		<b>33,766</b>	<b>11,697</b>
Earnings per equity share [nominal value of shares: Rs. 10 (March 31, 2022: Rs. 10)]	53		
i. Basic and Diluted		262	91
<b>Summary of significant accounting policies</b>	2.2 & 2.3		

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

As per our report of even date

For S.R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W/E300004  
Chartered Accountants

per Sunil Gaggar  
Partner  
Membership no.: 104315



For and on behalf of the board of directors of  
MTR Foods Private Limited

Atle Vidar Johnsen  
Chairman  
DIN: 01361367

B.G. Shenoy  
Chief Financial Officer

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

Ragee Raju  
Company Secretary  
(Membership no: F11322)



Place: Bengaluru  
Date: September 19, 2023

Place: Bengaluru  
Date: September 19, 2023

MTR Foods Private Limited  
Consolidated Statement of Changes in Equity for the year ended March 31, 2023  
(All amounts are in Indian Rupees Lakhs, except share data and per share data, unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each, issued, subscribed and fully paid-up

As at March 31, 2022

As at March 31, 2023

Nos.	Amount
12,330,269	1,233
12,330,269	1,233

For movement in share capital, (refer note:19).

b) Other equity

	Reserve and surplus				Shares pending issuance (refer note 42)	Foreign currency translation reserve	Other comprehensive income	Total
	Security premium reserve	Capital redemption reserve	Retained earnings	Other equity share based payment			Fair value gains/(losses) on equity instruments	
As at April 1, 2021	111,014	337	38,581	92	27,000	-	141	177,165
Profit for the year	-	-	11,718	-	-	-	-	11,718
Other comprehensive income/(loss) (net of tax)	-	-	(15)	-	-	23	(29)	(21)
Total Comprehensive income for the year	-	-	11,703	-	-	23	(29)	11,697
Compensation cost related to employee share based payment plans (refer note:46)	-	-	-	91	-	-	-	91
Cross charge from ultimate holding company for employee share based payment plans	-	-	-	(39)	-	-	-	(39)
As at March 31, 2022	111,014	337	50,284	144	27,000	23	112	188,914
Profit for the year	-	-	33,913	-	-	-	-	33,913
Other comprehensive income/(loss) (net of tax)	-	-	(204)	-	-	57	-	(147)
Total Comprehensive income for the year	-	-	33,709	-	-	57	-	33,766
Compensation cost related to employee share based payment plans (refer note:46)	-	-	-	69	-	-	-	69
Cross charge from ultimate holding company for employee share based payment plans	-	-	-	(21)	-	-	-	(21)
As at March 31, 2023	111,014	337	83,993	192	27,000	80	112	222,728

Summary of significant accounting policies. Refer note 2.2 & 2.3.

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

As per our report of even date

For S.R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W/E300004  
Chartered Accountants

per Sanil Gaggar  
Partner  
Membership no.: 104315



For and on behalf of the board of directors of  
MTR Foods Private Limited

Atle Vidar Johnsen  
Chairman  
DIN: 01361367

B.G. Shenoy  
Chief Financial Officer

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

Ragee Raju  
Company Secretary  
(Membership no: F11322)

Place: Bengaluru  
Date: September 19, 2023

Place: Bengaluru  
Date: September 19, 2023



**MTR Foods Private Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2023**  
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flows from operating activities</b>			
Profit before tax		25,691	16,687
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Share of (profit)/loss of associate and joint venture		(119)	62
Impairment loss on investment (exceptional items)		200	-
Share based payment expenses		48	52
Depreciation of property, plant and equipment		3,710	3,728
Amortisation of intangible assets		1,037	1,216
Depreciation on right-of-use assets		794	695
Interest expense - others		2,043	2,312
Interest expense - lease liabilities		554	520
Unwinding of security deposit		(28)	(26)
Gain on termination/modification of right-of-use assets		(10)	(1)
Provision for doubtful debts and advances		183	(114)
Profit on sale of current investments		(1,325)	(149)
Bad debts/advance written off		24	-
Expense settled through transfer of assets		15	-
Provision for balances with government authorities		-	150
Fair value gain on financial instruments at fair value through profit and loss		(412)	(84)
Liabilities written back		(47)	(182)
(Gain)/ loss on sale of property plant and equipment		32	(64)
Interest income		(84)	(112)
Liabilities written back paid reversed		-	6
Rental income		(3)	(9)
Dividend income		(0)	-
GST input credit write off		1	-
Unrealised foreign exchange gain		(60)	(68)
Write back of advance from customers		(12)	-
<b>Operating profit before working capital changes</b>		<b>32,232</b>	<b>24,619</b>
<b>Movements in Working capital :</b>			
Decrease/(increase) in trade receivables		(1,816)	(216)
Decrease/(increase) in inventories		(3,996)	(252)
Decrease/(increase) in financial assets and other assets		(3,174)	281
Increase/(decrease) in trade payable		3,794	113
Increase/(decrease) in financial liabilities and other liabilities		590	(284)
Increase/(decrease) in provisions		(1,059)	(349)
<b>Cash generated from operations</b>		<b>26,571</b>	<b>23,912</b>
Direct tax paid (net)		(7,529)	(5,888)
<b>Net cash from operating activities (A)</b>		<b>19,042</b>	<b>18,024</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances)		(7,932)	(3,457)
Proceeds from sale of property, plant and equipment		152	772
Purchase of units of mutual funds		(61,354)	(57,232)
Sale of units of mutual funds		57,811	42,478
Loan given to associate company		-	(500)
Proceeds from the sale of long term investments		-	2
Proceeds from/(investments) in bank deposits/margin money deposits (having original maturity of more than three months)		(5,027)	999
Investment in shares of associates		(199)	-
Dividend received		0	-
Rent received		3	9
Interest received		39	132
<b>Net cash used in investing activities (B)</b>		<b>(16,507)</b>	<b>(16,797)</b>





**MTR Foods Private Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2023**  
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. Cash flow from financing activities</b>			
Proceeds from short term borrowings		3,100	4,000
Repayment of short term borrowings		(2,500)	(7,459)
Repayment of long term borrowings		(637)	(1,059)
Interest paid		(326)	(165)
Payment of lease liabilities		(602)	(506)
Interest on lease liabilities paid		(549)	(520)
<b>Net cash from/ (used in) financing activities (C)</b>		<b>(1,514)</b>	<b>(5,709)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>1,021</b>	<b>(4,482)</b>
Cash and cash equivalents at the beginning of the year		1,440	5,922
<b>Cash and cash equivalents at the end of the year</b>		<b>2,461</b>	<b>1,440</b>
<b>Components of cash and cash equivalents</b>			
Balances with banks:			
On current accounts		2,455	1,438
Cash on hand		6	2
<b>Total cash and cash equivalents (refer note 15)</b>		<b>2,461</b>	<b>1,440</b>

Summary of significant accounting policies

2.2 & 2.3

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

As per our report of even date

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

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per Sumit Gaggar  
Partner  
Membership no.: 104315



**For and on behalf of the board of directors of  
MTR Foods Private Limited**

  
Ade Vidar Johnsen  
Chairman  
DIN: 01361367

  
Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

  
B.G. Shenoy  
Chief Financial Officer

  
Ragee Raju  
Company Secretary  
(Membership no: F11322)

Place: Bengaluru  
Date: September 19, 2023

Place: Bengaluru  
Date: September 19, 2023



## 1. Corporate Information

MTR Foods Private Limited ("the Company" or "MTR" or "Holding Company") (CIN No. - U15136KA1996PTC021007) was incorporated at Bangalore in 1996 under the Companies Act, 1956. In 2012, MTR acquired 100% of the equity shares of Rasoi Magic Foods (India) Private Limited ("Rasoi") and resultantly, Rasoi became the subsidiary of MTR. Bams Condiments Impex Private Limited ('BAMS') which was incorporated on October 10, 2007 at Kochi and Eastern Food Speciality Formulations Private Limited ('EFSF') which was incorporated on November 21, 2008 at Bangalore, became wholly owned subsidiaries of the Company as at March 31, 2008 and March 31, 2009, respectively.

MTR and its subsidiaries ("the Group") are engaged in the manufacture and sale of ready-to-eat food products, instant food mixes, spices and masalas, vermicelli, milk-based products, confectionery and beverages, blended curry powders made of spices (viz. Sambar, Rasam, Chicken Masala, Fish Masala, Biryani Masala, coffee, rice products (viz. Puttu Podi, Idli Podi, Dosa Podi, Pathiri Podi, Appam Podi, etc.), etc. The Group also undertakes trading of certain food products such as, spices, spice mix, pickles, tea, tamarind, coconut oil and oral care products.

The Company is headquartered in Bengaluru and has its manufacturing facilities and warehouse in Bengaluru, Kerala, Theni in Tamil Nadu, Guntur in Andhra Pradesh, Kota in Rajasthan and an extensive distribution network in India, Middle East countries and other overseas markets.

In December 2018, MTR acquired 10% equity shares in Pot Ful India Private Limited ["Pot Ful"] for Rs. 220 lakhs and in July 2019 MTR acquired 252 equity shares from the promoters of Pot Ful for Rs. 94 lakhs and subscribed to 2,150 equity shares at Rs. 37,470 per share amounting to Rs. 81 lakhs. Subsequent to such additional share purchase in Pot Ful, effective from July 15, 2019, Pot Ful became an associate of MTR. In December 2022, MTR has acquired 218 equity shares for Rs. 199 lakhs. Subsequent to such additional share purchase in Pot Ful, total shareholding of MTR in Pot Ful has increased from 26.50% to 27.69 %.

On September 19, 2007, the Company entered into an agreement with Mr. Sameer Kunhu Mohamed to set up a Joint Venture Company Eastern Condiments Middle East & North Africa FZC, incorporated in United Arab Emirates ('ECMENA'). ECMENA is primarily engaged in trading of spices. ECMENA also renders agency services in respect of sales of the Company's products in the Middle East countries.

The consolidated financial statements were approved for issue by the Holding Company's Board of Directors on September 19, 2023.

## 2. Significant accounting policies

### 2.1 Basis of Preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

These consolidated financial statements have been prepared on historical cost basis as explained in the accounting policies below, except for the following assets and liabilities measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities measured at fair value; and
- Derivative financial instruments;

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated. Certain notes and disclosures in the financials have been represented as Zero ("0"), where the absolute amount is below Rs. 50,000 ("fifty thousand").



## 2.2 Basis of consolidation

### a. Subsidiaries

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, an associate and joint venture as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

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

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

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

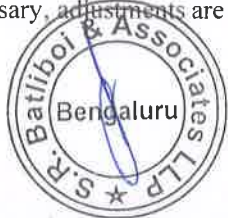
Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

#### Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line



with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

#### **b. Associates and Joint Ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate and joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss outside operating profit.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and



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then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.3 Summary of significant accounting policies:

#### (a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities as non-current.

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

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

#### (b) Foreign currency translation

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign



operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

### (c) Fair Value Measurement

The Group measures financial instruments such as derivative instruments and investments (other than investment in subsidiaries and associates) at fair value at each balance sheet date.

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

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

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

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

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

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

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





- (i) Level 1 — inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:-

- (i) Disclosure for fair valuation methods, significant estimates and judgements Note 50 and 2.4
- (ii) Financial Instruments (including those carried at amortised cost) Note 6a, 6b, 6c, 7, 8, 13, 14, 15, 16, 17, 21, 25, 26, 27a, 27b, 28b, 4b.

#### **(d) Revenue recognition**

##### Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

To recognize revenues, the Group applies the following five- step approach:

- Identify the contract with a customer;
- Identify the performance obligation in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

##### **(i) Sale of goods**

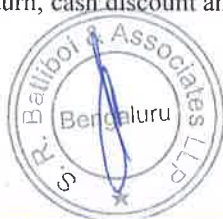
Revenue is measured at the transaction price that the Group receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Goods and Services tax (GST) is not received by the Group in its own account. Rather, it is collected on value added to commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

##### **(ii) Variable consideration:**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide with the customers with a right to return, cash discounts, and volume rebates/trade incentives. The rights of return, cash discount and volume rebates/trade incentives give rise to variable consideration.



- **Volume rebates**

The Group gives volume rebates/trade incentives to customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability for the expected future rebates (i.e., the amount not included in the transaction price).

- **Right to return**

As a practice, the Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

**(iii) Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.3(o) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**(iv) Assets and liabilities arising from rights of return**

**Right of return assets**

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

**Refund liabilities**

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.



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**(v) Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in Other income in the consolidated statement of profit and loss.

**(vi) Dividend Income**

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(vii) Export incentives income**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**(e) Income-tax**

***Current income tax***

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

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

***Deferred tax***

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss.
- In respect of taxable temporary differences associated with the investments in subsidiaries, associates and interests in joint venture, when the timing of the reversal of the temporary differences can be controlled and if it is probable that the temporary differences will not reverse in the foreseeable future.

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



- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity, in correlation to the underlying transaction.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Goods and Services Tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of goods and services tax paid, except:

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

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

#### **(f) Property, plant and equipment**

On transition to Ind AS, the Group had elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2019 measured as per the Indian GAAP and use that carrying value as deemed cost of property, plant and equipment.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in





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

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, at the end of each reporting period.

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management except in case of leasehold improvements.

Particulars	Useful life used by the management (in years)
Plant and machinery	2-15
Office equipment/ Computers	3-6
Factory buildings	30
Electrical fittings	10
Furniture and fixtures	10
Vehicles	4-8
Windmills	22

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

In respect of assets acquired which have been previously used by another party, depreciation is provided over the remaining useful lives of such assets determined within their overall useful lives as stated above.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

#### (g) Intangible assets

On transition to Ind AS, the Group had elected to continue with the carrying value of all its intangible assets recognised as at April 1, 2019 measured as per the Indian GAAP and use that carrying value as deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.



Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

Assets	Useful life (in years)
Software	3 years
Trademarks	Indefinite
Distribution network	4 years
Recipes	10 years

#### (h) Business combination and goodwill

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

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind AS.

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities



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assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### (i) Leases

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

#### Group as a lessee

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

##### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category of assets	Estimated Useful life
Building	2 to 25 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

##### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any



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

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

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

The Group has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The standard provides specific transition requirements and practical expedients, which have been applied by the Group as follows:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

### **(j) Inventories**

Inventories are valued as follows:

Raw materials, packing materials and stores, spares and consumables	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.
Work-in-progress & finished goods including traded goods	Lower of cost and net realizable value. Cost of Work in progress and finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

### **(k) Impairment of non-financial assets**

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



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

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

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

#### **(I) Provisions and contingent liabilities**

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

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

#### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

#### Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.



**(m) Retirement and other employee benefits**

**Defined contribution plan:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plan:**

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs.

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Interest expense and Income

**Leave Encashment / compensated absences:**

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred.

The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**(n) Share based payments**

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for cash payments based on equity instruments (equity settled transactions) of the ultimate holding company. The Group classifies a share-based payment transaction as equity settled when it receives goods or services as consideration for its own equity instruments or receives goods or services but has no obligation to settle the transaction with the supplier.





Further, it classifies a share-based payment transaction as cash settled if it acquires the goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price of its own equity instruments or that of another group entity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised together with a corresponding increase in share-based payment reserves in equity or capital contribution from parent depending on which entity is settling the transaction. The costs are recognised, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

#### **(o) Financial Instruments**

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

##### Financial assets

##### Initial recognition and measurement

Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being valued through Statement of Profit and Loss.

##### Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss (P&L). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



b) Contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 13.

#### Equity investments

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

#### Derecognition

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

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

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

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

#### Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortised cost.

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

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





Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

- Financial assets measured as at amortised cost, trade and other receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

### Financial liabilities

#### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, including payable to employees and borrowings.

#### Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR). 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. EIR is the rate that exactly discounts the estimated future cash payments over the expected life of the financial liability or a shorter period, where appropriate, to the net carrying amount on initial recognition.

#### Derecognition

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

#### Reclassification of financial assets

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



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

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

#### Offsetting of financial instruments

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

#### **(p) Derivative financial instruments**

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects the statement of profit and loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

#### **(q) Segment accounting policies**

##### Identification of segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker is considered to be the Board of Directors which makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Refer note 47 for segment information presented.

##### Inter-segment transfer:

The Group generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.



**Segment policies:**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

**(r) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**(s) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet and for the purpose of the statement of cash flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**(t) Cash dividend**

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(u) Government grants**

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Accordingly, government grants:

- (a) related to or used for assets, are deducted from the carrying amount of the asset.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant. Income from such grants is recognised on a systematic basis over the periods to which they relate. In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

**(v) Borrowing costs**

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



## 2.4 Significant accounting judgements, estimates and assumptions

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

### *Estimates and assumptions*

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

#### **(a) Defined benefit plans (gratuity benefits)**

The Group operates a defined benefit gratuity plan under the Payment of Gratuity Act, 1972 in India, which is a defined benefit obligation. The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. The estimate of future salary increases is based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Further details about gratuity obligations are given in note 41.

#### **(b) Leases**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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

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





The management while evaluating lease periods have not considered the renewal periods of real estate leases as the management is not reasonably certain of exercising the renewal options available as on the balance sheet date. Further, the management is reasonably certain of not exercising any termination options available as part of the contract as on the balance sheet date for all such leases and hence have not considered them in evaluation of lease periods.

**(c) Provision for sales return**

The Group provides for sales return on damaged goods based on trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario and based on the management's assessment of market conditions.

**(d) Estimating variable consideration for discount, volume rebates and trade incentives**

Revenue is measured at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of products, the Group considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued.

In estimating the variable consideration towards discounts, volume rebates and trade incentives taking into consideration the terms of the volume thresholds and expected likely payout based on historical experience, current trend and future expectations of customers meeting the thresholds.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

**(e) Provision on inventories**

The Group has a defined policy for provision on inventory sub-categorised into raw materials, packing materials and finished goods. The Group provides provision based on the policy, expired, obsolete and slow moving inventory.

**(f) Useful life of assets considered for depreciation of property, plant and equipment**

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 Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The useful lives are based on technical advice, prior asset usage experience and the risk of technological obsolescence.

**(g) Impairment allowance for doubtful debts**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible. Further details about impairment allowance are given in Note 52.

**(h) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation





is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the forecast for the next five years. The forecast do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note 5.

## 2.5 New and amended standards and interpretations

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

### (i) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

### (ii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the financial instruments during the period.

### (iii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IND As 103 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).



These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

## **2.6 Standards Issued but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 01, 2023.

### **(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the financial statements.

### **(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

### **(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.



**MTR Foods Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2023**  
**(All amounts are in Indian Rupees Lakhs, unless stated otherwise)**

**3 Property, plant and equipment**

	Land (refer note (ii))	Buildings (On freehold land)	Buildings (On leasehold land)	Leasehold Improvements	Plant and Machinery	Windmill	Office Equipment	Electrical Fittings	Furniture and Fixtures	Vehicles	Total
<b>Gross block</b>											
<b>At April 1, 2021</b>	<b>12,238</b>	<b>12,320</b>	<b>557</b>	<b>43</b>	<b>16,213</b>	<b>635</b>	<b>541</b>	<b>693</b>	<b>590</b>	<b>837</b>	<b>44,667</b>
Additions	18	78	-	56	2,591	-	375	88	141	16	3,362
Disposals	-	(97)	-	-	(140)	-	(5)	-	(6)	(151)	(399)
Transfer to asset held for sale	-	-	-	-	(5)	-	-	-	-	-	(5)
<b>At March 31, 2022</b>	<b>12,256</b>	<b>12,301</b>	<b>557</b>	<b>99</b>	<b>18,659</b>	<b>635</b>	<b>911</b>	<b>781</b>	<b>725</b>	<b>702</b>	<b>47,625</b>
Additions	25	43	-	-	891	-	248	5	68	415	1,695
Disposals	-	-	-	(2)	(279)	-	(7)	-	(8)	(106)	(402)
Transfer to asset held for sale	-	(1)	-	-	(117)	-	(0)	(15)	-	-	(133)
<b>At March 31, 2023</b>	<b>12,281</b>	<b>12,343</b>	<b>557</b>	<b>97</b>	<b>19,154</b>	<b>635</b>	<b>1,152</b>	<b>771</b>	<b>785</b>	<b>1,011</b>	<b>48,785</b>
<b>Depreciation and impairment</b>											
<b>At April 1, 2021</b>	-	<b>657</b>	-	<b>22</b>	<b>4,576</b>	-	<b>181</b>	<b>209</b>	<b>150</b>	<b>1</b>	<b>5,796</b>
Depreciation for the year (refer note 37)	-	642	46	6	2,314	87	216	95	101	221	3,728
Disposals	-	(97)	-	-	(118)	-	(5)	-	(4)	(51)	(275)
Transfer to asset held for sale	-	-	-	-	(5)	-	-	-	-	-	(5)
<b>At March 31, 2022</b>	-	<b>1,203</b>	<b>46</b>	<b>28</b>	<b>6,767</b>	<b>87</b>	<b>392</b>	<b>304</b>	<b>247</b>	<b>171</b>	<b>9,244</b>
Depreciation for the year (refer note 37)	-	640	46	15	2,346	87	204	92	96	184	3,710
Disposals	-	-	-	(2)	(163)	-	(7)	-	(6)	(98)	(276)
Transfer to asset held for sale	-	(1)	-	-	(58)	-	(0)	(15)	-	-	(74)
<b>At March 31, 2023</b>	-	<b>1,841</b>	<b>92</b>	<b>41</b>	<b>8,892</b>	<b>174</b>	<b>589</b>	<b>381</b>	<b>337</b>	<b>257</b>	<b>12,604</b>
<b>Net carrying value as at:</b>											
<b>At March 31, 2022</b>	<b>12,256</b>	<b>11,098</b>	<b>511</b>	<b>71</b>	<b>11,892</b>	<b>548</b>	<b>519</b>	<b>477</b>	<b>478</b>	<b>531</b>	<b>38,381</b>
<b>At March 31, 2023</b>	<b>12,280</b>	<b>10,501</b>	<b>465</b>	<b>56</b>	<b>10,262</b>	<b>461</b>	<b>563</b>	<b>390</b>	<b>448</b>	<b>754</b>	<b>36,181</b>

**Note:**

- (i) The Group has elected to carry forward the carrying values of the property, plant and equipment as on March 31, 2015 under the previous GAAP as deemed cost on the transition date (April 1, 2019) under Ind AS 101 'First-time adoption of Indian Accounting Standards'.
- (ii) The Company purchased a land situated at Edapally from a bank through auction during the year ended March 2019. During earlier year, the Company had advanced an amount of Rs.465 for purchase of the said land to a party, which is disclosed under capital advances in Note 9. The concerned land was mortgaged by the said party with a bank as security. The land was taken over by the bank during the year ended March 31, 2019 as part of its recovery proceedings against the said party. The Company has provided for the capital advances as doubtful of recovery. The Company has purchased the said land from the bank through auction at a cost of Rs.377. Mr. Navas M. Meeran (CEO and Director of ECPL, erstwhile subsidiary) has paid Rs.377 to the Company, as agreed through his personal guarantee to secure the title of the land in the name of the Company. The amount paid by Mr. Navas M. Meeran is disclosed as interest free borrowing in Note 21. As per the agreement between the Company and Mr. Navas M. Meeran, repayment of the borrowing is restricted to the extent of amount recovered from the aforesaid party. In the event of non-recovery of the amount from the above party, the entire borrowing amount will be set off against the advance receivable from the party and no amount would be payable to Mr. Navas M. Meeran. The difference of Rs.88 has been written off in the books of accounts in the earlier years.



**MTR Foods Private Limited**

Notes to the consolidated financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

**(iii) Capital work-in-progress**

Cost	Total
At April 1, 2021	385
Additions	267
Capitalised	(344)
At March 31, 2022	308
Additions	7,313
Capitalised	(232)
At March 31, 2023	7,389

**Capital work-in-progress (CWIP) ageing schedule**

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7,267	6	-	5	7,278
Projects temporarily suspended	-	94	4	13	111
<b>Total</b>	<b>7,267</b>	<b>100</b>	<b>4</b>	<b>18</b>	<b>7,389</b>

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	244	1	-	5	250
Projects temporarily suspended	36	9	13	-	58
<b>Total</b>	<b>280</b>	<b>10</b>	<b>13</b>	<b>5</b>	<b>308</b>

**Completion is overdue to its original plan:**

As at March 31, 2023					
Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Factory, Bengaluru	1,496	-	-	-	1,496
Corporate office, Bengaluru	546	-	-	-	546
Stores, Bengaluru	117	-	-	-	117
Factory, Kittur	5	-	-	-	5
Factory, Kothamanagalam	2	-	-	-	2
<b>Total</b>	<b>2,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,166</b>

As at March 31, 2022					
Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Factory, Bengaluru	4	36	-	-	40
<b>Total</b>	<b>4</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>40</b>

As at March 31, 2023 and March 31, 2022, the Group has no projects whose cost has exceeded compared to its original plan.

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**4 Right-of-use assets and lease liabilities**

**4a Right-of-use assets (ROU)**

	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>	4,615	2,268
Additions	797	3,044
Amortization (refer note 37)	(794)	(695)
Deletions	(45)	(11)
Adjustment due to modification [refer note (i) below]	47	9
<b>Closing balance</b>	<b>4,620</b>	<b>4,615</b>

**4b Lease liabilities**

	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>	5,828	3,401
Additions	766	2,939
Interest expense on lease liabilities (refer note 38)	554	520
Payments	(1151)	(1027)
Deletions	(55)	(13)
Adjustment due to modification [refer note (i) below]	47	8
<b>Closing balance</b>	<b>5,989</b>	<b>5,828</b>

**Note :**

- (i) The modification/adjustment is on account of change in the lease term or change in the lease payments accordingly the lease liability is re-measured as on date of modification and the difference between the lease liability as on date of modification and the re-measured lease liability as per above is adjusted to the carrying amount of ROU.

	As at March 31, 2023	As at March 31, 2022
Non-current	5,253	5,224
Current	736	604

**The following are the amounts recognised in profit and loss :**

	Year ended March 31, 2023	Year ended March 31, 2022
Gain on termination/modification of right-of-use assets (refer note 32)	10	1
Amortization expense of right-of-use assets (refer note 37)	794	695
Interest expense on lease liabilities (refer note 38)	554	520
Expense relating to short-term leases (included in other expenses & Staff welfare)	854	1,062
Expense relating to leases of low value assets (included in other expenses)	108	132

Also refer note 44(a) for additional disclosure on lease arrangements.

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5 Goodwill and other intangible assets

	Goodwill [refer note (i) below]	Other intangible assets				Total
		Trademarks and Brands [refer note (i) below]	Distribution Network	Recipes	Computer software	
At April 1, 2021	1,01,186	57,311	3,680	5	623	61,619
Additions	-	-	-	-	195	195
Disposals	-	-	-	-	-	-
At March 31, 2022	1,01,186	57,311	3,680	5	818	61,814
Additions	-	-	-	-	51	51
Disposals	-	-	-	-	-	-
At March 31, 2023	1,01,186	57,311	3,680	5	869	61,865
<b>Amortisation</b>						
At April 1, 2021	-	-	-	-	316	316
Charge for the year (refer note 37)	-	10	920	3	283	1,216
Disposals	-	-	-	-	-	-
At March 31, 2022	-	10	920	3	599	1,532
Charge for the year (refer note 37)	-	0	920	0	117	1,037
Disposals	-	-	-	-	-	-
At March 31, 2023	-	10	1,840	3	716	2,569
<b>Net carrying value as at:</b>						
At March 31, 2022	1,01,186	57,301	2,760	2	219	60,282
At March 31, 2023	1,01,186	57,301	1,840	2	153	59,296

Note:

(i) The Company has recognised goodwill of Rs. 98,573 and Rs. 2,613 on acquisition of ECPL and Rasoi respectively. Further, the Company has recognised Trademarks & Brands amounting to Rs. 57,300 on acquisition of ECPL. Trademarks and Brands are not amortised and are considered to have indefinite life considering the history of ECPL operations and established brands in the market of its operations. These intangible assets and goodwill are tested for impairment annually in line with the applicable accounting standards.

**ECPL CGU**

The recoverable amount of the CGU as at March 31, 2023, has been determined based on value in use using cash flow projections from financial budgets approved by management for next year and financial year 2025 to 2028 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows and then have considered that as a base to arrive at the value of perpetuity beyond March 31, 2028 using an exit multiple of 19 on Earning before interest depreciation tax and amortization (EBIDTA) of ECPL. The post-tax discount rate of 12% is applied to cash flow projections for impairment testing during the current year.

The Company has assessed the carrying value of CGU by using fair value less cost of disposal. The fair value less costs of disposal is a post-tax measure of recoverable value. It is concluded that carrying value of CGU does not exceed the recoverable value and as a result of this analysis, management did not identify impairment for this CGU.

**Rasoi CGU**

The recoverable amount of the CGU as at March 31, 2023, has been determined based on value in use using cash flow projections from financial budgets approved by management for next year and financial year 2025 to 2028 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows and then have considered that as a base to arrive at the value of perpetuity beyond March 31, 2028 using an exit multiple of 3.5 on Revenue from operations. The post-tax discount rate of 12% is applied to cash flow projections for impairment testing during the current year.

The Company has assessed the carrying value of CGU by using fair value less cost of disposal. The fair value less costs of disposal is a post-tax measure of recoverable value. It is concluded that carrying value of CGU does not exceed the recoverable value and as a result of this analysis, management did not identify impairment for this CGU.

**Discount rates** - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors.

The cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

The above discount rate is based on the weighted average cost of capital (WACC) of a comparable market participant, which is adjusted for specific risks. These estimates are likely to differ from future actual results of operation and cash flows.



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**MTR Foods Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2023**  
**(All amounts are in Indian Rupees Lakhs, unless stated otherwise)**

**6 Investments**

**Non-current investments**

**6a Investment in associate and joint venture**

**In associate: (accounted under equity method)**

**Unquoted equity shares:**

3,732 (March 31, 2022: 3,514) Equity shares of Rs.10 each fully paid-up in Pot Ful India Private Limited [refer note 43(i)]

1,122

1,066

(A)

1,122

1,066

**In joint venture (accounted under equity method)**

**Unquoted equity shares:**

2,500 (March 31, 2022: 2500) equity shares of UAE Dirhams 1,000 each fully paid, in Eastern Condiments Middle East & North Africa FZC, UAE [refer note 43(ii)]

1,125

805

Less: Provision for impairment

(200)

-

**Total**

(B)

925

805

**Total**

(A+B)

2,047

1,871

**6b Other investments:**

**Unquoted equity instruments: (Carried at fair value through other comprehensive income)**

1,403 (March 31, 2022: 1,403) Equity shares of Rs.10 each fully paid-up in Firmroots Private Limited

-

-

750 (March 31, 2022: 750) unquoted equity shares of Vishweshwar Sahakari Bank Ltd.

-

-

**Total**

-

-

**6c Current Investments : (at fair value through profit or loss account)**

**Unquoted mutual funds:**

Aditya Birla Sun Life Liquid Fund

10,152

5,568

27,95,729 (March 31, 2022: 16,22,789 units)

Aditya Birla Sun Life Liquid Fund - Growth Direct Plan [refer note (i) below]

1,590

3,573

2,31,745 units (March 31, 2022: 10,41,596 units)

ICICI Prudential Liquid Fund

10,135

5,472

30,41,612 units (March 31, 2022: 17,35,406 units)

ICICI Prudential Ultra Short Term Fund - Growth [refer note (i) below]

1,581

3,576

2,49,545 units (March 31, 2022: 11,34,335 units)

**Total**

23,458

18,189

**Note:**

Aggregate book value of quoted investments

-

-

Aggregate book value of unquoted investments

25,505

20,060

(i) Units amounting to Rs.1,500 (750 each to both funds) are not allotted as on March 31, 2023 (March 31, 2022: Rs. Nil).

**7 Non current - loans (at amortised cost)**

Unsecured, considered good

Loans to employees

67

42

Loans to related parties [refer note (i) below]

500

500

567

542

**Sub-classification of Loans:**

Loan receivables considered good- Secured

-

-

Loan receivables considered good- Unsecured

567

542

Loan receivables which have significant increase in credit risk

-

-

Loan receivables - credit impaired

-

-

567

542

i) Loans to related parties comprise of the following:

a) Pot Ful India Private Limited (Associate)

500

500

Maximum amount outstanding during the year

500

500

The Group has given a loan to Pot Ful India Private Limited for its principal business activities. One of the promoter director of the associate pledged his equity shares as security. The loan is repayable in September 2024 at an interest rate of 7% per annum.



8 Non current - other financial assets

Margin money deposits with original maturity of more than 12 months  
Bank deposits with remaining maturity of more than 12 months  
Security deposit for lease premises  
Other deposits

As at March 31, 2023	As at March 31, 2022
132	104
14	14
588	602
235	266
<b>969</b>	<b>986</b>

9 Other non-current assets

Capital advances  
Prepaid expenses  
Balances with statutory / government authorities

As at March 31, 2023	As at March 31, 2022
499	420
23	3
95	70
<b>617</b>	<b>493</b>

10 Income tax assets (net)

Income tax assets (net of provisions)

As at March 31, 2023	As at March 31, 2022
8,076	1,568
<b>8,076</b>	<b>1,568</b>

11 Deferred tax assets / liability (net)

Deferred tax assets  
Deferred tax liability

As at March 31, 2023	As at March 31, 2022
16	877
7,220	16,971
<b>(7,204)</b>	<b>(16,094)</b>

Deferred tax relates to the following

Consolidated Balance Sheet		Consolidated Statement of Profit and Loss and OCI	
As at March 31, 2023	As at March 31, 2022	For year ended March 31, 2023	For year ended March 31, 2022
(8,828)	(17,764)	(8,936)	(563)
778	940	162	196
345	344	(1)	(52)
-	11	11	58
-	-	-	81
501	375	(126)	(179)
(7,204)	(16,094)	(8,890)	(459)

Reconciliation of deferred tax assets (net)

Balance at the beginning of the year  
Tax income/(expense) during the year recognised in profit or loss  
Tax income/(expense) during the year recognised in OCI  
Balance at the end of the year

As at March 31, 2023	As at March 31, 2022
(16,094)	(16,553)
8,821	444
69	15
<b>(7,204)</b>	<b>(16,094)</b>

12 Inventories

At lower of cost and net realisable value

Raw materials  
Packing materials  
Work-in-progress  
Finished goods [includes goods-in-transit Rs. 235 (March 31, 2022: Rs. Nil)]  
Traded goods  
Stores, spares and consumables

As at March 31, 2023	As at March 31, 2022
21,871	16,410
1,899	1,873
3,400	3,505
6,535	7,273
616	1,225
690	728
<b>35,011</b>	<b>31,014</b>

As at March 31, 2023 Rs. 727 (March 31, 2022 Rs. 359) was recognised as provision towards slow moving inventories.



### 13 Trade receivables

**Trade receivables include:**

Receivable from related parties  
Receivable from others

**Break-up for security details:**

Secured, considered good  
Unsecured, considered good  
Trade Receivables, which have significant increase credit risk  
Trade Receivables - credit impaired

Less: Allowance for expected credit loss

	As at March 31, 2023	As at March 31, 2022
Receivable from related parties	-	-
Receivable from others	11,602	9,908
	<b>11,602</b>	<b>9,908</b>
Secured, considered good	-	-
Unsecured, considered good	11,602	9,908
Trade Receivables, which have significant increase credit risk	-	-
Trade Receivables - credit impaired	700	559
	<b>12,302</b>	<b>10,467</b>
Less: Allowance for expected credit loss	(700)	(559)
	<b>11,602</b>	<b>9,908</b>

**Trade receivables ageing schedule**

As at March 31, 2023	Current but not due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	7,388	4,116	98	-	-	-	11,602
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	0	143	120	52	321	636
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	64	64
<b>Total</b>	<b>7,388</b>	<b>4,116</b>	<b>241</b>	<b>120</b>	<b>52</b>	<b>385</b>	<b>12,302</b>

As at March 31, 2022	Current but not due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	7,925	1,973	10	-	-	-	9,908
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	66	95	31	303	495
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	64	64
<b>Total</b>	<b>7,925</b>	<b>1,973</b>	<b>76</b>	<b>95</b>	<b>31</b>	<b>367</b>	<b>10,467</b>

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

All trade receivables are generally non-interest bearing and are on terms of 0 to 60 days, except for export sales which are generally on terms of 30-120 days, however the same vary from for each customer on basis of agreed terms. They are recognised at their original invoice amount which represent their fair value on initial recognition. For other terms and condition relating to related party receivables, refer note 49.

### 14 Current financial assets- loans

Loans and advances to employees

**Sub-classification of loans:**

Secured, considered good  
Unsecured, considered good

	As at March 31, 2023	As at March 31, 2022
Loans and advances to employees	227	206
	<b>227</b>	<b>206</b>
Secured, considered good	-	-
Unsecured, considered good	227	206
	<b>227</b>	<b>206</b>

### 15 Cash and cash equivalents

Balances with banks:  
On current accounts  
Cash on hand

	As at March 31, 2023	As at March 31, 2022
Balances with banks: On current accounts	2,455	1,438
Cash on hand	6	2
	<b>2,461</b>	<b>1,440</b>





16 Bank balances other than above

	As at March 31, 2023	As at March 31, 2022
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	5,000	-
Bank deposits with remaining maturity of more than 12 months [refer note (i) below]	14	14
Less: amount disclosed under Other non-current financial assets (refer note 8)	(14)	(14)
Margin money deposits [refer note (ii) below]	132	104
Less: amount disclosed under Other non-current financial assets (refer note 8)	(132)	(104)
	<u>5,000</u>	<u>-</u>

- (i) Bank deposit includes Rs. 14 (March 31, 2022: Rs 14) as collateral against bank guarantees.  
(ii) Margin money deposits are intended to secure the Group's bank guarantee and letter of credit facility obtained by the Group.

Details of non-cash transactions from investing activities and changes in liabilities arising from financing activities

	As at April 1, 2022	Cash flows (net)	Non-cash changes		As at March 31, 2023
			Fair Value adjustments	Others	
<b>Investing activities</b>					
Non-current investments	1,871	199	(200)	177	2,047
Current investments	18,189	3,543	401	1,325	23,458
<b>Total</b>	<b>20,060</b>	<b>3,742</b>	<b>201</b>	<b>1,502</b>	<b>25,505</b>

<b>Financing activities</b>					
Non-current borrowings (including current maturities of non current borrowings shown under current borrowing)	1,036	(637)	-	-	399
Current borrowings	2,500	600	-	-	3,100
Lease liabilities	5,828	(1,151)	-	1,312	5,989
<b>Total</b>	<b>9,364</b>	<b>(1,188)</b>	<b>-</b>	<b>1,312</b>	<b>9,488</b>

	As at April 1, 2021	Cash flows (net)	Non-cash changes		As at March 31, 2022
			Fair Value adjustments	Others	
<b>Investing activities</b>					
Non-current investments	1,951	(2)	(39)	(39)	1,871
Current investments	3,206	14,754	80	149	18,189
<b>Total</b>	<b>5,157</b>	<b>14,752</b>	<b>41</b>	<b>110</b>	<b>20,060</b>

<b>Financing activities</b>					
Non-current borrowings (including current maturities of non current borrowings shown under current borrowing)	2,063	(1,059)	32	-	1,036
Current borrowings	5,959	(3,459)	-	-	2,500
Lease liabilities	3,401	(1,027)	-	3,454	5,828
<b>Total</b>	<b>11,423</b>	<b>(5,545)</b>	<b>32</b>	<b>3,454</b>	<b>9,364</b>



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17 Current financial assets-others

	As at March 31, 2023	As at March 31, 2022
Other receivables	331	108
Other assets	-	3
Other deposits	40	-
Interest accrued	43	2
Derivate assets [refer note (i)]	25	28
Security deposits for leased premises	119	98
Advance to employees	16	9
Insurance claim receivable [refer note (ii)]	2,032	2,264
Incentive receivable	2,319	-
Receivables from Spices Board [refer note (iii)]	358	358
	<b>5,283</b>	<b>2,870</b>

(i) Except for a mark to market gain above, all financial assets are carried at amortised cost.

(ii) Pursuant to a fire incident on October 14, 2019, certain fixed assets, inventory and other assets in one of the locations were damaged. The Company lodged an estimate of loss with the insurance company and the survey is currently ongoing. The total loss on account of damage is Rs. 2,896. The Group has recognised a minimum insurance claim receivable for Rs. 2,248. The aforementioned loss (to the extent of insurance receivable) and the corresponding credit arising from insurance claim receivable has been presented on a net basis in these consolidated financial statements.

(iii) The amount receivable from Spice Board of India represents the balance amount receivable towards construction of factory building on behalf of Spice Board of India in Kota, Rajasthan. This Factory building has been leased to the Group on monthly rent basis for a period of 15 years commencing from July 2017. Also (refer note:44(b)) in respect of capital commitments pertaining to installation of Plant and Machinery at the aforesaid location for a sum of Rs. 1,300.

18 Other current assets

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Prepaid expenses	504	463
<b>Balances with statutory/ government authorities</b>		
Unsecured, considered good	4,550	3,449
Unsecured, considered doubtful	150	150
	4,700	3,599
Less: provision for doubtful balances	(150)	(150)
	<b>4,550</b>	<b>3,449</b>
Others	99	64
<b>Advances recoverable in kind**</b>		
Unsecured, considered good	724	903
Unsecured, considered doubtful	18	18
	742	921
Less: provision for doubtful advances	(18)	(18)
	<b>724</b>	<b>903</b>
Export incentive receivables	280	533
Property, plant and equipment held for sale	33	-
	<b>6,190</b>	<b>5,412</b>

\*\*Includes advances given to suppliers against purchase of raw materials and against future services.



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19 Share capital

a) Authorised shares

As at the beginning of the year
Increase during the year
As at the end of the year
Issued, subscribed and paid-up share capital
Equity shares of Rs.10 each fully paid up
Total issued, subscribed and paid-up share capital

As at March 31, 2023		As at March 31, 2022	
No. of shares	Amount	No. of shares	Amount
5,00,00,000	5,000	5,00,00,000	5,000
5,00,00,000	5,000	5,00,00,000	5,000
1,23,30,269	1,233	1,23,30,269	1,233
1,23,30,269	1,233	1,23,30,269	1,233

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

As at the beginning of the year
Add: Issued during the year

As at March 31, 2023		As at March 31, 2022	
Numbers	Amount	Numbers	Amount
1,23,30,269	1,233	1,23,30,269	1,233
1,23,30,269	1,233	1,23,30,269	1,233

c) Terms/ rights attached to equity shares

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. The Company declares and pays dividends in Indian rupees.

ii) In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company, equity shares of Rs. 10 each fully paid up

(ii) Orkla Food Ingredients AS, Norway, Associate Company, equity shares of Rs. 10 each fully paid up

As at March 31, 2023		As at March 31, 2022	
Numbers	Amount	Numbers	Amount
1,23,30,209	1233	1,23,30,209	1,233
60	0	60	0

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

Equity shares of Rs.10 each fully paid  
Orkla Asia Pacific Pte Ltd, Singapore

As at March 31, 2023		As at March 31, 2022	
Numbers	% holding	Numbers	% holding
1,23,30,209	99.9995%	1,23,30,209	99.9995%

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

f) Details of shares held by promoters

As at March 31, 2023

Promoter Name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total shares	% change during the year
(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company Equity shares of Rs. 10 each fully paid up	1,23,30,209	-	1,23,30,209	99.9995%	-
(ii) Orkla Food Ingredients AS, Norway, Associate Company Equity shares of Rs. 10 each fully paid up	60	-	60	0%	-
<b>Total</b>	<b>1,23,30,269</b>	<b>-</b>	<b>1,23,30,269</b>	<b>100%</b>	<b>-</b>



As at March 31, 2022

Promoter Name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total shares	% change during the year
(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company Equity shares of Rs. 10 each fully paid up	1,23,30,269	-	1,23,30,209	99.9995%	-
(ii) Orkla Food Ingredients AS, Norway, Associate Company Equity shares of Rs. 10 each fully paid up	60	-	60	0%	-
<b>Total</b>	<b>1,23,30,329</b>	<b>-</b>	<b>1,23,30,269</b>	<b>100%</b>	<b>-</b>

g) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2023	As at March 31, 2022
Equity shares bought back by the Company	33,73,731	33,73,731

In accordance with the approval of the shareholders on March 13, 2019, provisions of Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014 and subsequent amendments made thereafter, the Company offered to buy-back its equity shares of face value of Rs. 10 each, from the shareholders.

During the year ended March 31, 2019, the Company bought back 1,373,731 equity shares at price of Rs. 495 per share, utilizing a sum of Rs. 6,800. The amount paid towards buy-back of shares in excess of the face value, was appropriated out of Securities premium account, amounted to Rs. 1,955 and out of Surplus in the Statement of Profit and Loss amounted to Rs. 4,708. The Company extinguished the above mentioned shares as on March 31, 2019 and created Capital Redemption Reserve of Rs. 137 by way of appropriation against Surplus in the Statement of Profit and Loss amounting to Rs. 137.

20 Other Equity

	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	337	337
Retained earnings	83,993	50,284
Securities premium reserve (Net off stamp duty on issue of shares of Rs.111)	1,11,014	1,11,014
Other equity (Share based payment)	192	144
Other comprehensive income (Fair value gain/(loss) on equity investment)	112	112
Foreign currency translation reserve	80	23
Shares pending issuance (refer note 42)	27,000	27,000
<b>Total other equity</b>	<b>2,22,728</b>	<b>1,88,914</b>

Note : refer Consolidated Statement of changes in equity, for movement of other equity.

A. Description, nature and purpose of reserves:

- Capital redemption reserve:** The Company has bought back equity shares and as per the provisions of the Companies Act, 2013, the Company is required to create capital redemption reserve out of the profits of the Company available for distribution of dividend. The reserve can be utilized against issue of fully paid up bonus shares of the Company.
- Retained earnings:** It comprises of the accumulated profits/(loss) of the Group.
- Securities premium reserve:** Securities Premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.
- Foreign currency translation reserve:** Foreign currency translation reserve contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation whose functional currency is other than Indian Rupee.



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	As at March 31, 2023	As at March 31, 2022
<b>21 Non-current borrowings</b>		
<b>From financial institutions and banks</b>		
Vehicle Loan (Secured)		
Kotak Mahindra Prime Limited [refer note (ii) below]	-	22
ICICI Bank [refer note (iii) below]	-	2
<b>From others (Unsecured)</b>		
Loan from director of ECPL, erstwhile subsidiary [refer note (i) below]	377	377
	<b>377</b>	<b>401</b>

**Details of security and terms of repayment**

- i) Represents interest free unsecured loan from Mr. Navas M. Meeran, (CEO and Director of ECPL, erstwhile subsidiary) amounting to Rs. 377. Also, refer note 3(ii).
- ii) Kotak Mahindra Prime Limited interest rate at 8.50% p.a. to 12.50% p.a. (March 31, 2022: 8.50% p.a. to 12.50% p.a.), the entire loan is closed subsequently as premature closure. Repayable in Equated Monthly Instalments over term of 3-5 years and are secured by hypothecation of the vehicles financed. Entire loan is closed subsequently as premature closure.
- iii) ICICI Bank Limited interest rate at 9% p.a. Loan is repayable in Equated Monthly Instalments over term of 3-5 years and are secured by hypothecation of the vehicles financed.

**22 Government grants**

- Grant received for capital assets under Export Promotion Capital Goods (EPCG) scheme (refer note 48)

	As at March 31, 2023	As at March 31, 2022
	107	107
	<b>107</b>	<b>107</b>

**Movement in liability is as follows:**

**Opening balance**

Received during the year

Released to the statement of profit and loss

Refunded

**Closing balance**

	As at March 31, 2023	As at March 31, 2022
	107	107
	-	-
	-	-
	-	-
	<b>107</b>	<b>107</b>

Current

Non-current

	-	-
	107	107

**23 Non current provisions**

Provision for gratuity [refer note 41(b)]

Provision for compensated absences

	As at March 31, 2023	As at March 31, 2022
	24	1,495
	168	-
	<b>192</b>	<b>1,495</b>

**24 Other non-current liabilities**

Interest on Government grants (refer note 48)

	As at March 31, 2023	As at March 31, 2022
	112	93
	<b>112</b>	<b>93</b>

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## 25 Current borrowing

	As at March 31, 2023	As at March 31, 2022
<b>Loan from banks</b>		
<b>From banks</b>		
Citibank (INR) [refer note (i) below]	3,100	2,500
	<u>3,100</u>	<u>2,500</u>
<b>Current maturity of long-term loans</b>		
<b>From banks</b>		
Term Loan (Secured)		
Foreign Currency loan from ICICI Bank [refer note (ii) below]	-	616
<b>From financial institutions</b>		
Vehicle Loan (Secured)		
Kotak Mahindra Prime Limited [refer note (iii) below]	22	18
ICICI Bank [refer note (iv) below]	-	1
	<u>22</u>	<u>635</u>
	<u>3,122</u>	<u>3,135</u>

### Details of security and terms of repayment

i) The Group has taken a short term loan of Rs. 3,100 (March 31, 2022 : Rs. 2,500) for a duration of less than 1 year repayable in April 2023 and carrying floating interest rate range between 6.86% to 7.53% p.a. (March 31, 2022 : 3.16% to 3.43% p.a.).

ii) ICICI Bank Limited, interest rate at USD 3 months LIBOR plus 2.75% margin p.a. (Group had availed cross currency interest rate swaps to hedge the exposure of currency and interest rate risk). Exclusive charge on immovable and movable property, plant and equipment at Guntur manufacturing unit. Personal guarantees of Mr. Navas M Meeran (CEO of ECPL, erstwhile subsidiary) and Mr. Firoz Meeran (Director of ECPL, erstwhile subsidiary).

The loan is repayable in 36 monthly instalments commencing from November, 2019 and ending on October, 2022. The same is repaid during the year.

iii) Kotak Mahindra Prime Limited interest rate at 8.50% p.a. to 12.50% p.a. (March 31, 2022: 8.50% p.a. to 12.50% p.a), the entire loan is closed subsequently as premature closure. Repayable in Equated Monthly Instalments over term of 3-5 years and are secured by hypothecation of the vehicles financed. Entire loan is closed as premature closure during the year ended March 31, 2023.

iv) Vehicle loan from ICICI Bank Limited interest rate at 9% p.a.

Above vehicle loans are repayable in Equated Monthly Instalments over term of 3-5 years and are secured by hypothecation of the vehicles financed.

## 26 Trade payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	10,588	10,138
Total outstanding dues of creditors other than micro and small enterprises*	14,487	11,170
	<u>25,075</u>	<u>21,308</u>

### Trade Payable Ageing Schedule

As at March 31, 2023	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	109	3,443	7,020	3	8	5	10,588
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,649	5,160	628	12	9	29	14,487
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>8,758</b>	<b>8,603</b>	<b>7,648</b>	<b>15</b>	<b>17</b>	<b>34</b>	<b>25,075</b>



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As at March 31, 2022	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	35	8,343	1,736	17	3	4	10,138
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,749	3,002	1,358	12	10	39	11,170
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>6,784</b>	<b>11,345</b>	<b>3,094</b>	<b>29</b>	<b>13</b>	<b>43</b>	<b>21,308</b>

\* Includes payable to related parties (refer note 49)

\* Trade payables are non-interest bearing and are normally settled on 15 to 60 day terms.

	As at March 31, 2023	As at March 31, 2022
<b>27a Other non current financial liabilities</b>		
Payable to employees	582	354
	<b>582</b>	<b>354</b>
<b>27b Other current financial liabilities</b>		
Interest accrued and due on borrowings	18	-
Payable to employees	3,604	3,054
Payable for purchase of capital goods**	1,330	319
Deposits from suppliers and others	120	210
Other payables	1	1
Refund liabilities (refer note 31(d))	839	960
Liability on account of forward commitment (refer note 42)	33,802	32,106
	<b>39,714</b>	<b>36,650</b>

\*\* Includes outstanding dues to micro and small enterprises of Rs. 198 (March 31, 2022: Rs. 103)

**28 Other current liabilities**

	As at March 31, 2023	As at March 31, 2022
Statutory dues payable *	647	631
Payable towards CSR expenditure	220	93
Contract liabilities [refer note: 31(c)]	585	736
	<b>1,452</b>	<b>1,460</b>

\* Includes dues towards provident fund, employee state insurance dues, profession tax, withholding taxes, goods and services tax.

**29 Provisions - current**

	As at March 31, 2023	As at March 31, 2022
<b>Employee benefit obligation:</b>		
Provision for gratuity [refer note: 41(b)]	511	26
Provision for compensated absences	640	608
Other provisions [refer note: 45(a)]	1,142	1,142
<b>Total</b>	<b>2,293</b>	<b>1,776</b>

**30 Current tax liabilities (net)**

	As at March 31, 2023	As at March 31, 2022
Income tax liabilities (net of advance tax)	-	423
	<b>-</b>	<b>423</b>

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**31 Revenue from operations**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of products</b>	(A) 2,13,773	1,82,511
<b>Other operating revenue:</b>		
Scrap sales	549	420
Export incentives	377	591
Sale of energy from windmills	224	230
Government grant (production linked incentive)	2,319	-
Others	6	-
	(B) 3,475	1,241
<b>Total revenue from operations</b>	(A+B) 2,17,248	1,83,752

**(a) Disclosure of disaggregated revenue recognised in the consolidated statement of profit and loss based on geographical segment:\***

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from customers within India	1,77,528	1,50,890
Revenue from customers outside India	36,245	31,621
<b>Revenue as per the consolidated statement of profit and loss</b>	2,13,773	1,82,511

**(b) Timing of revenue recognition:\***

	Year ended March 31, 2023	Year ended March 31, 2022
Goods transferred at a point in time	2,13,773	1,82,511
	2,13,773	1,82,511

**(c) Contract balances**

	As at March 31, 2023	As at March 31, 2022
Contract assets - Trade receivables (refer note 13)	11,602	9,908
Contract liabilities - Advance from customers (refer note 28)	585	736

**(d) Refund liabilities :**

	As at March 31, 2023	As at March 31, 2022
Refund liabilities [refer note 27b]	839	960

**(e) Reconciliation of revenue as recognised in the consolidated statement of profit and loss with the contracted price:\***

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	2,29,368	1,97,105
Less:		
Sales return	(3,166)	(3,009)
Discounts and volume rebates	(12,429)	(11,585)
<b>Revenue as per the consolidated statement of profit and loss</b>	2,13,773	1,82,511

\* The amount of Rs. 3,475 lakhs (March 31, 2022: Rs 1,241 lakhs) pertaining to other operating revenue which has not been considered on the above disclosure.



**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023****(All amounts are in Indian Rupees Lakhs, unless stated otherwise)****32 Other income**

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
Loan to associates	35	18
Bank deposit	44	94
Others	9	12
Unwinding of security deposit	28	26
Gain on termination/modification of right-of-use assets (refer note: 4)	10	1
Gain on sale of property, plant and equipment	-	64
Profit on sale of investments in units of mutual funds	1,325	149
Fair value gain on financial instruments at FVTPL	412	84
Liabilities written back	47	182
Gain on foreign exchange fluctuations	811	620
Other non-operating income	175	296
	<b>2,896</b>	<b>1,546</b>

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**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

**33 Cost of raw material and packing materials consumed****a) Raw materials**

Inventory at the beginning of the year (refer note 12)

Add: Purchases (net)

Less: Inventory at the end of the year (refer note 12)

**b) Packing materials**

Inventory at the beginning of the year (refer note 12)

Add: Purchases (net)

Less: Sales

Less: Inventory at the end of the year (refer note 12)

**Total (a+b)**

Year ended March 31, 2023	Year ended March 31, 2022
16,410	16,557
1,12,824	83,504
1,29,234	1,00,061
21,871	16,410
1,07,363	83,651
1,873	2,199
12,067	10,485
13,940	12,684
3	-
1,899	1,873
12,038	10,811
1,19,401	94,462

**34 Purchase of stock-in-trade**

Purchase of stock-in-trade

Year ended March 31, 2023	Year ended March 31, 2022
5,928	15,494
5,928	15,494

**35 Changes in inventories of finished goods, work-in-progress and traded goods****Inventories at the beginning of the year (refer note 12)**

Traded goods

Work in progress

Finished goods

**Inventories at the end of the year (refer note 12)**

Traded goods

Work in progress

Finished goods

**Decrease/ (increase) in inventories**

Year ended March 31, 2023	Year ended March 31, 2022
1,225	891
3,505	3,343
7,273	7,089
12,003	11,323
616	1,225
3,400	3,505
6,535	7,273
10,551	12,003
1,452	(680)

**36 Employee benefits expense**

Salaries, wages and bonus

Contribution to provident and other funds [refer note 41(a)]

Gratuity expense [refer note: 41(b)]

Staff welfare expenses

Share based payment (refer note 46)

Year ended March 31, 2023	Year ended March 31, 2022
19,011	17,193
1,143	1,025
554	446
1,995	1,961
69	91
22,772	20,716



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**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

**37 Depreciation and amortisation expense**

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	3,710	3,728
Amortisation of intangible assets (refer note 5)	1,037	1,216
Amortisation of right-of-use assets [refer note:4(a)]	794	695
	<b>5,541</b>	<b>5,639</b>

**38 Finance costs**

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	344	168
Interest expense on lease liabilities [refer note 4(b)]	554	520
Finance cost on forward commitment liability	1,696	2,128
	<b>2,594</b>	<b>2,816</b>
Bank charges	111	115
Interest on income tax	3	16
	<b>114</b>	<b>131</b>
	<b>2,708</b>	<b>2,947</b>

**39 Other expenses**

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	649	642
Power and fuel	2,456	2,743
Processing & water charges	420	367
Repairs and maintenance		
Plant and machinery	727	518
Buildings	348	209
Others	1,487	1,517
Rent	601	666
Provision for balances with government authorities	-	150
Rates and taxes	483	252
Insurance	414	402
Communication costs	99	100
Travelling and conveyance	1,218	716
Legal and professional fees	2,389	1,975
Payments to auditors	266	195
Advertising and sales promotion	11,433	9,130
Freight and forwarding charges	6,221	6,174
Selling and distribution expense	4,562	2,116
Provision for doubtful debts and advances	183	(114)
Loss on sale of property, plant and equipment (net)	32	-
Advance written off	5	-
Bad debts written off	19	-
CSR expenses	397	322
Miscellaneous expenses	2,161	1,891
	<b>36,570</b>	<b>29,971</b>



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**MTR Foods Private Limited**

Notes to consolidated financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

**40 Income tax expense**

Current income tax charge  
Tax expense relating to earlier years  
Deferred tax  
**Total**

Year ended March 31, 2023	Year ended March 31, 2022
609	5,416
(10)	(3)
(8,821)	(444)
<b>(8,222)</b>	<b>4,969</b>

**Deferred tax related to items recognised in OCI during the year**

Re-measurement losses on defined benefit plans  
Fair value gains losses on equity instruments  
**Total**

69	5
-	10
<b>69</b>	<b>15</b>

**Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate:****Accounting profit/ (loss) before income tax**

25,691 16,687

Tax expense at India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)

6,466 4,200

**Tax effect of:**

Non-deductible expenses for tax purposes

620 655

Impact of tax loss utilised

(11) (19)

Current tax of earlier years (refer note 42)

(3,836) -

Reversal of deferred tax (refer note 42)

(11,511) -

Relating to origination and reversal of temporary differences

- 58

MAT credit entitlement

- 81

Others

50 (6)

**Income tax expense (credit) for the year**

**(8,222) 4,969**

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**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

**41 Employee benefit obligation****a. Defined contribution plans**

The Group makes contribution determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. For provident and other funds, the Group has an obligation under law to make the specified contribution and the contribution are charged to profit and loss account. The amount recognised as an expense towards contribution to the provident and other funds during the year aggregated to Rs. 1,143 (March 31, 2022: Rs. 1,025).

**Amount recognised as an expense and included in Note - 36 as "Contribution to provident and other funds"**

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to government provident fund	1,021	894
Contribution to Employee State Insurance (ESI)	109	119
Contribution to other funds	13	12
<b>Total</b>	<b>1,143</b>	<b>1,025</b>

**b. Defined benefit plans****Gratuity**

The Group has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed atleast five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet.

**Net Defined Benefit Obligation (DBO)**

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	(4,805)	(4,036)
Fair value of plan assets	4,270	2,515
	<b>(535)</b>	<b>(1,521)</b>

**A. Reconciliation of net defined benefit liability/(asset)****(i) Reconciliation of present value of defined benefit obligation**

	As at March 31, 2023	As at March 31, 2022
<b>Opening defined benefit obligation</b>	4,036	3,690
Current service cost	397	351
Interest cost	272	233
Benefits paid	(258)	(259)
Actuarial (gain)/ losses recognised in other comprehensive income	-	-
- changes in demographic assumptions	(3)	(20)
- changes in financial assumptions	421	128
- experience adjustments	(166)	(87)
Past service cost	106	-
<b>Closing defined benefit obligation</b>	<b>4,805</b>	<b>4,036</b>

**(ii) Reconciliation of present value of plan assets**

<b>Balance at the beginning of the year</b>	2,515	1,979
Employer's contribution	1,813	654
Benefits paid	(258)	(257)
Expected return	221	138
Actuarial gains / (losses)	(21)	1
<b>Balance at the end of the year</b>	<b>4,270</b>	<b>2,515</b>



**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

**B. Net benefit expense****(i) Recognised in profit or loss**

	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	397	351
Interest cost (net)	51	95
Past service cost	106	-
	<b>554</b>	<b>446</b>

**(ii) Remeasurement recognised in other comprehensive income**

	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial loss/(gain) on defined benefit obligation		
- changes in demographic assumptions	(3)	(20)
- changes in financial assumptions	421	128
- experience adjustments	(166)	(87)
Actuarial loss/(gain) on plan assets	21	(1)
	<b>273</b>	<b>20</b>

**C. Plan assets**

Plan assets comprise of the following:

	As at March 31, 2023	As at March 31, 2022
Investments with insurer in Life Insurance Corporation of India (LIC)	100%	100%

The Group expects to contribute Rs. 511 (March 31, 2022: Rs. 26) to gratuity fund in the next year.

**D. i. Actuarial assumptions**

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.10% to 7.45%	6.7% to 7.2%
Salary escalation rate	9% to 11%	8.5% to 9%
Attrition		
Upto 45 Years	5% to 10%	4% to 10%
Above 45 years	5% to 10%	2% to 10%
Retirement age	58 Years to 60 Years	58 Years to 60 Years

As at March 31, 2023, the weighted average duration of the defined benefit obligation was in range of 7 to 10 years (March 31, 2022: 7 to 12 years).

**ii. Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined obligation [(reduction)/increase] by the amount shown below:

	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (+1/-1% movement)	-7.73%	8.83%	-7.61%	8.67%
Increase/(Decrease) in DBO	(371)	424	(307)	350
Future salary growth (+1/-1% movement)	8.42%	-7.54%	7.98%	-7.26%
Increase/(Decrease) in salary	405	(362)	322	(293)
Attrition rate (+50/-50% movement)	-3.25%	4.35%	-1.59%	2.01%
Increase/(Decrease) in attrition rate	(156)	209	(64)	81

**iii. Maturity profile of defined benefit obligation**

	As at March 31, 2023	As at March 31, 2022
Expected cash flows over the next (valued on undiscounted basis):		
1 year	384	342
2 to 5 years	1,938	1,715
Beyond 5 years	7,257	5,300
<b>Total expected payments</b>	<b>9,579</b>	<b>7,357</b>





**42 Merger of subsidiary Eastern Condiments Private Limited (ECPL) with the Company**

On March 16, 2021 and on March 17, 2021, the Board of Directors and shareholders of the Company, respectively, approved the acquisition of 67.82% stake (6,549,310 shares) in Eastern Condiments Private Limited ("ECPL") for a consideration of Rs. 127,438, pursuant to which on March 24, 2021, the Company executed Share Purchase Agreements ('SPA') with shareholders of ECPL. On March 31, 2021, the Company completed the acquisition of the aforesaid 67.82% stake and ECPL became a subsidiary of the Company as of March 31, 2021.

As per the SPA, it was intended that ECPL shall merge into the Company through a merger process with due approval from the National Company Law Tribunal, Bangalore (NCLT) as per Companies Act, 2013. As a part of merger, the Company shall acquire/swap the remaining 32.18% stake of ECPL from the promoters of ECPL (the Promoters) by issuing equity shares and redeemable optionally convertible preference shares (ROCPS). Accordingly, post-merger, the Company shall own 100% stake in ECPL and the Promoters shall own 9.99% stake in the Company on a fully diluted basis.

In the event of non-completion of the above proposed merger, the Company will be required to acquire and the Promoters will be required to sell the above remaining stake as per the terms and conditions of the Sale and Acquisition Agreement dated March 24, 2021 (Sale and Acquisition Agreement) between Orkla ASA, ultimate holding company of MTR and the Promoters. To execute the above arrangement, effectively, the Company shall acquire the 32.18% stake through a combination of fixed cash consideration of Rs. 33,442 and issue of ROCPS for Rs. 27,000.

Accordingly, in accordance with Ind AS 32, as at March 31, 2023, the fair value of consideration payable in cash amounting to Rs. 33,442 (March 31, 2022: Rs. 31,746) (on an amortised basis) and Rs. 360 (March 31, 2022: Rs. 360) payable for the final adjustment to working capital is disclosed as financial liability and the balance amount of Rs. 27,000 (March 31, 2022: Rs. 27,000) has been disclosed in consolidated statement of changes in equity as "Shares pending issuance".

On November 13, 2021, the Company and ECPL filed with the National Company Law Tribunal ('NCLT'), a Scheme of Merger ('Scheme') of ECPL with the Company with an appointed date of April 01, 2021. The NCLT vide its order dated 24th August, 2023, approved the Scheme of Merger of subsidiary ECPL with the Company with appointed date of April 01, 2021, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder. The said Scheme has been effective from September 01, 2023, on compliance of all the conditions precedent mentioned therein. Consequently, above mentioned subsidiary of the Company got merged with the Company w.e.f. April 01, 2021. The above order of merger received subsequent to the year end, before the approval of financial statements is treated as adjusting event in accordance with the guidance in ITFG 14 and the effect of the merger of ECPL with the Company is given effect in standalone financial statements of the Company for the year ended March 31, 2023, as per the accounting treatment included in Scheme approved by NCLT.

Since the merged entity is under common control, the accounting of the said merger has been done applying Pooling of Interest method as prescribed in Appendix C of Ind AS 103 'Business Combinations' w.e.f. the first day of the earliest period presented i.e. April 01, 2021. While applying Pooling of Interest method, the Company has recorded all assets, liabilities and reserves attributable to the subsidiary at their carrying values as appearing in the consolidated financial statements of the Company as per guidance given in ITFG Bulletin 9.

The previous year figures of Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income) and Statement of Cash Flows have been restated considering that the merger has taken place from the first day of the earliest period presented i.e., April 01, 2021 as required under Appendix C of Ind AS 103. The aforesaid merger has no impact on the consolidated financial statement of the Group since the scheme of merger was within the parent company and its subsidiary.

Consequent to the merger of ECPL into the Company with effect from appointed date April 01, 2021, the current tax and deferred tax expenses for the year ended March 31, 2022 as recognised in the books by the Company and merged subsidiary, has been reassessed. In this regard, management based on the views received from its external tax experts, have considered the merged accounts including impact of depreciation on the identified intangible assets (except goodwill) based on purchase price allocation on acquisition of ECPL. Accordingly, tax expenses for the year ended March 31, 2023, includes deferred tax credit of Rs. 11,511 lakhs and reversal of current tax provision of Rs. 3,836 lakhs pertaining to the year ended March 31, 2022.



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**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023****(All amounts are in Indian Rupees Lakhs, unless stated otherwise)****43 Investment in associate and joint venture****i) Pot Ful India Private Limited ('Pot Ful') - Associate**

On December 1, 2018, the Group had acquired 1,112 shares of Pot Ful, comprising of 10% shareholding in Pot Ful as at April 1, 2019. During the year ended March 31, 2020, the Group acquired 252 equity shares from the promoters of Pot Ful and subscribed to 2,150 equity shares resulting in 26.5% shareholding in Pot Ful. Effective July 15, 2019 Pot Ful became an associate of the Group. During the year ended March 31, 2023, the Group additionally subscribed to 218 equity shares resulting in 27.7% shareholding in Pot Ful. Pot Ful is engaged in the business of operation of cloud kitchens. The Group's interest in Potful is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Particulars	As at March 31, 2023	As at March 31, 2022
Non current sssets	975	697
Current assets	194	265
Non current liabilities	(811)	(588)
Current liabilities	(837)	(519)
<b>Equity</b>	<b>(479)</b>	<b>(145)</b>
Group's share in Equity - 27.69% (March 31, 2022 : 26.5%)	(133)	(39)
Goodwill	1,255	1,105
Group's carrying amount of the investment	<b>1,122</b>	<b>1,066</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers	3469	2,184
Other income	3	5
Cost of goods sold	(1,350)	(843)
Depreciation & amortization	(159)	(95)
Finance cost	(154)	(83)
Employee benefit expense	(785)	(521)
Other expense	(1,567)	(1,029)
<b>Loss before tax</b>	<b>(543)</b>	<b>(382)</b>
Tax expense	8	(13)
<b>Loss for the year</b>	<b>(535)</b>	<b>(395)</b>
<b>Group's share of loss for the year</b>	<b>(144)</b>	<b>(105)</b>



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**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023****(All amounts are in Indian Rupees Lakhs, unless stated otherwise)****ii) Eastern Condiments Middle East and North Africa FZC, UAE ("ECMENA") - Joint Venture**

The Group has a 50% interest in ECMENA, a joint venture involved in the trading of spices and general trading, incorporated in United Arab Emirates. The Group's interest in ECMENA is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

**An analysis of the Group's investment in ECMENA is as follows:**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	805	739
Share of profits	263	43
Dividend received	-	-
Translation exchange difference	57	23
Provision for impairment	(200)	-
<b>Closing balance</b>	<b>925</b>	<b>805</b>

**Summarised balance sheet of ECMENA is as follows:**

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets	4	4
Current assets	2,623	2,666
<b>Total assets</b>	<b>2,627</b>	<b>2,670</b>
Non-current liabilities	67	57
Current liabilities	710	1,405
<b>Total liabilities</b>	<b>777</b>	<b>1,462</b>
Book value of net assets	1,850	1,208
Fair value of net assets	1,850	1,610
Percentage ownership interest	50%	50%
<b>Accumulated Group's share of net assets</b>	<b>925</b>	<b>805</b>

**Summarised statement of profit and loss of ECMENA is as follows:**

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	4,434	3,119
Profit for the year	526	86
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>526</b>	<b>86</b>
Share of profits from joint venture	263	43
Dividend received	-	-

The joint venture had no contingent liabilities or capital commitments as at March 31, 2023 and March 31, 2022.



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**44 Commitments****a) Leases****Lease commitments as lessee**

The Group has lease contracts for various office/ store premises, land and warehouse facilities. The lease term is for a period ranging from 2 to 25 years. The agreements contain fixed rentals with escalation clause in the lease agreements. Certain lease agreements have renewal option at the mutual agreement of the lessee and lessor. The agreements contain options to terminate the leases after giving a specified notice period to the other party. Accordingly, the Group has considered the initial term of agreement as lease term under Ind AS 116.

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

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis :

	As at March 31, 2023	As at March 31, 2022
Within one year	1,118	1,080
After one year but not more than five year	3,219	3,804
More than five years	4,813	5,194
<b>Total</b>	<b>9,150</b>	<b>10,078</b>

Total cash outflow for leases for the year ended March 31, 2023 is Rs. 2,113 (March 31, 2022: Rs.2,220).

**Lease commitments for leases not considered in measurement of lease liabilities:**

	As at March 31, 2023	As at March 31, 2022
Lease commitment for short-term leases	211	154
Lease commitment for leases of low value assets	48	11
<b>Total</b>	<b>259</b>	<b>165</b>

**b) Other commitments**

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,697	1551

i) Export obligation being five times the value of the amount released by Spices Board for the construction of Plant building in Spices Park, Ramganjmandi, Kota District Rajasthan with in the extended period ended December 31, 2024. As at March 31, 2023 an amount of ₹ 542 ( March 31, 2022: ₹ 542) has been received from Spices Board. Also refer note 17. Further, the Company has to undertake the investment in plant and machinery at the said location , amounting to ₹ 1,300, within the same extended period ended December 31, 2024 , as per the terms of agreement entered with Spices Board, Ministry of Commerce and Industries (Government of India).

Also, refer note 48.

**45 Contingent liabilities**

	As at March 31, 2023	As at March 31, 2022
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**Contingent liabilities:****(a) Litigations**

Indirect taxation (includes matters pertaining to disputes on central excise, service tax, value added taxes and central sales tax.) [refer note (ii), (iii), (iv) & (v) below]

6,080 6,080

**(ii) Other litigations [refer note (vi) below]**

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**MTR Foods Private Limited****Notes to consolidated financial statements for the year ended March 31, 2023****(All amounts are in Indian Rupees Lakhs, unless stated otherwise)****Notes :**

- (i) In the prior years, the Company had received claims from the VAT authorities for payment of higher VAT for certain products. Accordingly, as a matter of prudence, the Company had made a provision amounting to Rs. 1,142 in its books of account towards such differential taxes. As at March 31, 2023 and March 31, 2022, the Company carries a provision of Rs. 1,142 in this regard. In the year ended March 31, 2013, the Honourable High Court of Karnataka had adjudicated the matter in favour of the Company. The KVAT authorities have filed a Special Leave Petition (SLP) in the Supreme Court which has been admitted by the Supreme Court. Accordingly, management continues to carry the provision as a matter of prudence pending final adjudication of the matter of law before the Supreme Court.
- (ii) During the year ended March 31, 2021, the Company received demand order amounting to Rs. 843 (March 31, 2022: 843), under section 73(2), of Finance Act 1994 from the Principal Commissioner of Central Tax and Central Excise. Further, interest at applicable rates on amount confirmed by the demand order will also be leviable under section 75 of the Finance Act, 1994. The dispute mainly relates to the applicability of service tax on amounts reimbursed by the Company to its branch office located outside India for the period from April 2010 to June 2017. The Company has filed an appeal with the Central Excise and Service Tax Appellate Tribunal (CESTAT) and believes that the demand is not tenable.
- (iii) The Company has ongoing disputes with Sales Tax / VAT Authorities amounting to Rs. 4,431 (March 31, 2022: Rs. 4,431). These mainly include disputes on account of levy of purchase tax, denial of concessional rate of tax etc. The management has contested these claims by way of appeal before the appellate authorities and the same is yet to be disposed off. Based on the advice from the Company's tax consultants, Management is of the view that such claims are not tenable.
- (iv) On May 6, 2019, Rasoi received a show cause notice (SCN) from the Directorate General of Goods and Service Tax Intelligence, Surat zonal unit, for the financial period April 01, 2014 to June 30, 2017 whereby it has been alleged that 'ready to cook spice mixes' (except sambar mix, missal rasa mix and pav bhaji mix ) should be classified as 'mixed condiments and mixed seasoning' and chargeable to excise duty claiming Rs. 591 plus interest and penalty. Further benefits of SSI exemption notification was denied to the Rasoi on clearance of sambar mix, missal rasa mix and pav bhaji mix during the above period. Rasoi has filed its response to the SCN rejecting all the charges and has submitted that the aforesaid SCN should be quashed. Rasoi is confident that no liability will arise on Rasoi and it has strong defence on the matter. No adjustment has been made in the financial statements.
- (v) Other indirect tax matters of Rs. 215 (March 31, 2022: 215) relate to various ongoing Sales Tax/VAT disputes and concessional rate of excise duty availed by the Company on manufacture and sale of certain products. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the forums where these are contested. No expense has been accrued in the financial statements for the demand raised. 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.
- (vi) Other litigations include Rs. Nil (March 31, 2022 : Rs.158) being penalty and charges claimed by Bangalore Electricity Supply Company Limited (BESCOM) alleging unauthorised extension of power supply. The same has been disposed off by the appellate authority during the year ended March 31, 2023 raising a demand of Rs. 158. The Company has accepted the demand raised and paid the same.
- (b) Bank guarantees

	As at March 31, 2023	As at March 31, 2022
Guarantees given by banks on behalf of the Group for contractual obligations of the Group	727	632
Guarantees given by the Group to the banks on behalf of its suppliers	-	1,270

The necessary terms and conditions have been complied with and no liabilities have arisen. The Group has given commitments of Rs. Nil (March 31, 2022 Rs.1,270) to purchase raw materials to certain vendors in the normal course of its business.



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**46 Share based payments**

The ultimate holding company ("Orkla ASA") of the Company operates equity incentive compensation programs which include long term incentive plan for executive management and the Employee Stock Purchase Plan (the "ESPP") for employees.

Under these plans, Orkla ASA, the ultimate holding company of the Company has granted equity shares which are settled in cash for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operation. All awards granted to employees (including directors) are subject to approval in advance by the board of directors of Orkla ASA. Share-based payments are considered as equity settled transactions as the Company has no obligation to settle the share based payment transaction.

In 2020, Orkla introduced a long-term incentive programme (LTI programme) based on share options, as a replacement for the previous cash-based LTI programme. Options will be allocated under this programme once a year, and the first allocation was made in June 2021.

**Employee stock purchase plan (ESPP)**

The ESPP permits eligible employees to acquire shares of the Orkla common stock at a 25% discount (as determined in the ESPP) through periodic payroll deductions over 12 months. The purchase price for the ultimate Company's common stock under the ESPP is 75% of the fair market value of the shares on the date defined in the scheme document during the offer period. The ESPP will be in force only during the offer period mentioned in the scheme document. Eligible employees can place orders for shares in one of the three lots as defined by the scheme. The lock-in period for the shares purchased through ESPP is 3 years. The lock-in will apply even if an employee resigns before the lock-in expires.

Considering the number of employees participating in the scheme and the amount involved is not material, no further disclosure is made.

The expense recognised for employee services received during the year is shown in the following table

	Year ended March 31, 2023	Year ended March 31, 2022
Expense arising from share-based payment transactions	69	91
<b>Total</b>	<b>69</b>	<b>91</b>

**Long Term Incentive (LTI) Scheme - Cash settled**

Certain employees of the Company are granted LTI. Participants in the LTI programme are nominated on a yearly basis and awards are made for one year at a time subject to the approval of the President and CEO of Orkla ASA. During the year ended March 31, 2021 the LTI vests over a period of four years from the date of grant, and the vesting generally occurs at a rate of 34% after 24 months, 33% after 36 months and 33% after 48 months from the date of grant.

Orkla determines the fair value of LTI based on the closing market price of the common stock on the date of grant. The amount awarded is adjusted in accordance with the Orkla ASA share price performance until it is paid out. The exercise price for LTI is Nil.

The following LTIs as granted to the Company's employees, were outstanding during the year:

Particulars	March 31, 2023 Number of Shares	March 31, 2022 Number of Shares
Outstanding at the beginning of the year	1,13,976	2,81,163
LTIs granted during the year	-	-
LTIs vested during the year	-	(1,67,187)
LTIs forfeited during the year	-	-
Adjustments (if any)	-	-
LTIs transferred during the year (net) if any	-	-
Outstanding at the ending of the year	<b>1,13,976</b>	<b>1,13,976</b>

The weighted average fair value of LTI at grant date (Rs.)

95 95

**Long Term Incentive (LTI) Scheme - Share option**

The yearly allocation will be based on the share price on the day after the Annual General Meeting. Of the total options allocated for the year, 20% may be exercised after one year (tranche 1), another 20% after two years (tranche 2) and the remaining 60% after three years (tranche 3). The last date on which they may be exercised is five years after the allocation date. The exercise price will be set at the market price at the allocation date with an increase of 3% per year in the vesting period. The exercise price will be adjusted for dividends. In the event of the employee's resignation, all options that have not been exercised will expire.

Particulars	March 31, 2023		March 31, 2022	
	Number of Shares	WAEP	Number of Shares	WAEP
Outstanding option at the beginning of the year	74,429	662	-	-
Granted during the year	60,782	590	74,429	662
Vested during the year	(14,885)	609	-	-
Forfeited during the year	-	-	-	-
<b>Outstanding option at the ending of the year</b>	<b>1,20,326</b>	<b>607</b>	<b>74,429</b>	<b>662</b>

The weighted average remaining contractual life for the share options outstanding as at March 31, 2023 was 3.55 years (March 31, 2022: 4.04).

The weighted average fair value of options granted during the year was Rs. 91.54 (March 31, 2022: Rs. 92.69)

The range of exercise prices for options outstanding at the end of the year was Rs. 581 to Rs. 667 (March 31, 2022: Rs. 649 to Rs. 667).

The option value is calculated using the Black-Scholes model. The table below shows the assumptions on which the calculation is based. The exercise price at the exercise date must be adjusted for dividends paid out up to the exercise date.



	March 31, 2023		
	Tranche 1	Tranche 2	Tranche 3
Number of Options	60,782	60,782	60,782
Dividend yield (%)	3.81%	3.81%	3.81%
Expected volatility (%)	21.59%	21.37%	21.64%
Risk-free interest rate (%)	2.55%	2.59%	2.64%
Expected life of share options (years)	3.00	3.50	4.00
Exercise price at allocation	634	634	634
Exercise price at first possible exercise date	581	588	594

	March 31, 2022		
	Tranche 1	Tranche 2	Tranche 3
Number of Options	74,429	74,429	74,429
Dividend yield (%)	3.66%	3.66%	3.66%
Expected volatility (%)	23.06%	22.56%	21.66%
Risk-free interest rate (%)	6.50%	7.20%	8.00%
Expected life of share options (years)	3.0	3.5	4.0
Exercise price at allocation	705	705	705
Exercise price at first possible exercise date	649	658	667

**47 Segment reporting**

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. The Group's operations predominantly relate to one segment, viz., sale of food products and beverages (manufactured and traded).

**Information by geographies****Revenue by geographical market**

	For the year ended March 31, 2023	For the year ended March 31, 2022
India	1,77,528	1,50,890
Outside India	36,245	31,621
	<b>2,13,773</b>	<b>1,82,511</b>

**Segment assets \***

	As at March 31, 2023	As at March 31, 2022
India	3,02,206	2,72,501
Outside India	7,990	7,647

\* All property, plant and equipment & intangible assets are situated in India.

**48 Government grant**

The Group has been awarded government grant under the Export Promotion Capital Goods (EPCG) scheme:

During the year ended March 31, 2018, the Group had availed EPCG license benefit of Rs. 107 against import of capital goods amounting to Rs. 1,331 for manufacturing of confectionery. In respect of this benefit, the Group has an export obligation of 6 times of the duty saved on import of capital goods on FOB basis within a period of 6 years from the date of issue of the license. The export obligation is Rs. 641 if the Group fails to achieve the export obligation, the Group is liable to pay duty exemption availed with an interest of 18% per annum proportionately to the extent of obligation not met.

The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant. The Government Grant shown in note 22 represents unamortised amount of the duty saved.

During the year ended March 31, 2021, the Group has assessed that it will not be able to meet any export obligations under the said license, and hence the Group would be liable to refund the above benefit amount, along with interest @ 18% p.a. The Group has accrued the interest in its books since the date of availing such benefit.

The initial timeline for fulfilling the export obligation was May 2023. During the year ended March 31, 2023, the Group has applied for and received extension for fulfilling the export obligation till May 2025. Accordingly, the liability and interest is classified as non-current.



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49 Related party transactions

A. Name of the related party and relationship

Description of relationship	Name of the related parties	Relationship/Designation
(a) Entities who have control over the Group	Orkla ASA, Oslo, Norway Orkla Asia Pacific Pte Ltd, Singapore	Ultimate holding company Holding company
(b) Entities over which the Group has significant influence:	PotFul India Private Limited	Associate
(c) Joint venture	Eastern Condiments Middle East & North Africa FZC, UAE	Joint venture
(d) Key managerial personnel (KMP):	Mr. Sanjay Sharma Mr. Ganesh Shenoy Mr. Aneesh K Mrs. Ragee Ragu	Director & Chief Executive Officer Chief Financial Officer Company Secretary (Upto 30th January, 2023) Company Secretary (w.e.f. 20th July, 2023)

B. Transactions with related parties and outstanding balances at the end of the period

For the year ended  
March 31, 2023

For the year ended  
March 31, 2022

Nature of transaction

i) Transactions during the year :

Holding and Ultimate Holding companies:

Orkla ASA

Receipt of services	317	269
Management services provided (cross charges)	40	-
Reimbursement of expenses to related parties	624	108
Reimbursement of expenses from related parties	78	-
Shared based payments	48	41

Fellow Subsidiaries:

Orkla IT AS

Reimbursement of expenses to related parties	46	47
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Orkla Procurement

Receipt of services	12	-
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Orkla Asia Pacific SDN BHD (formerly "Jordan Asia Pacific SDN BHD")

Purchase of traded goods	44	339
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Associate

Pot Ful India Private Limited

Interest on loan	35	18
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Joint venture

Eastern Condiments Middle East & North Africa FZC, UAE

Reimbursement of expenses	4,871	3,562
Agency commission	280	217

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**MTR Foods Private Limited**

**Notes to consolidated financial statements for the year ended March 31, 2023**

(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

**ii) Balances outstanding as at year end :**

	As at March 31, 2023	As at March 31, 2022
<b>Amounts receivable from :</b>		
Orkla ASA	47	41
<b>Amounts payable to :</b>		
Orkla ASA	191	41
Orkla IT AS	0	1
Orkla Procurement	11	-
Orkla Asia Pacific SDN BHD (formerly "Jordan Asia Pacific SDN BHD")	-	158
Eastern Condiments Middle East & North Africa FZC, UAE	286	200

**b. Loans given and repayment thereof**

Particulars	Opening balance	Loans given	Repayment	Closing balance	Interest receivable
<b>i) Associates</b>					
<b>Pot Ful India Private Limited</b>					
March 31, 2023	500	-	-	500	8
March 31, 2022	-	500	-	500	9

**c. Compensation to key managerial personnel**

	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits *	835	993
Post-employment benefits	0	(4)
<b>Total compensation paid to key managerial personnel **</b>	<b>835</b>	<b>989</b>

\*The amounts disclosed above do not include the Long Term Incentives (LTI).

\*\*The amounts disclosed in the above table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

**Terms and conditions of transactions with related parties**

(a) The Group had granted a unsecured loan facility to Pot Ful India Private limited ("Pot Ful") at the interest rate of 7% p.a. for its principal business activities. The said loan is repayable by September 2024 and interest rests quarterly.

(b) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related party are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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## 50 Fair value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets measured at fair value</b>		
Investments in unquoted equity shares (measured through other comprehensive income) ^	-	-
Investments in units of mutual funds (measured through profit and loss) #	23,458	18,189
Derivative assets ##	25	28
<b>Total (A)</b>	<b>23,483</b>	<b>18,217</b>
<b>Financial assets carried at amortised cost</b>		
Loans ^	794	748
Trade receivables*	11,602	9,908
Cash and cash equivalents*	2,461	1,440
Bank balances other than above*	5,000	-
Other financial assets*	6,227	3,827
<b>Total (B)</b>	<b>26,084</b>	<b>15,923</b>
<b>Total financial assets (A+B)</b>	<b>49,566</b>	<b>34,140</b>
<b>Financial liabilities carried at amortised cost</b>		
Lease liabilities ^	5,989	5,828
Borrowings*	3,499	3,536
Trade payables*	25,075	21,308
Other financial liabilities *	40,296	37,004
<b>Total financial liabilities</b>	<b>74,859</b>	<b>67,676</b>

\*The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, trade payables, borrowings and other financial assets and liabilities approximate their carrying amounts since the Company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled. The fair value of these financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale

^ The fair values of these accounts were calculated based on cash flow discounted using a current lending/ borrowing rate and other relevant assumptions, they are classified as level 3 of fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk and market factors.

# Investments in quoted equity shares and mutual funds are based on the net asset value as published by the funds, hence they are classified as level 1 of fair value hierarchy.

## Derivative assets (Forward contracts): Fairvalue of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Group, hence they are classified as level 2 of fair value hierarchy.

There have been no transfers among level 1, level 2 and level 3 during the year ended March 31, 2023 and March 31, 2022.

## 51 Capital management

For the purpose of Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group. The primary objective of Group's capital management is to maintain strong credit rating and healthy capital ratio in order to support its business and maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants. The below displays the capital gearing ratio as at March 31.

	As at March 31, 2023	As at March 31, 2022
Net debt (total borrowings, net of cash and cash equivalents)	1,038	2,096
Total equity	2,23,961	1,90,147
<b>Net debt to equity ratio</b>	<b>0.46%</b>	<b>1.10%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aim to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

The Group has not defaulted on any loan obligations and there has been no breach of any loan covenants.

The Group is predominantly equity financed as evident from the capital structure table above. Further the Group has sufficient cash, cash equivalents, current investments and financial assets which are liquid to meet the debts.





**52 Financial risk management objectives and policies**

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade and other payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that derive its value directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. There has been no change to the Group's exposure to the financial risks or the manner in which it manages and measures the risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**a) Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group has hedged the floating interest rate risk on long term borrowing by entering into an interest rate swap. Refer note below.

**(ii) Foreign Currency risk**

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency (INR) of the Group. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency import of service, exports of finished goods and borrowing in foreign currency. The currency in which these transactions are primarily denominated as USD, GBP, Euro and NOK.

The Group has entered into following outstanding forward exchange contracts as on March 31, 2023 and March 31, 2022 in respect of highly probable exports:

Currency	As at March 31, 2023	As at March 31, 2022
US Dollar (in Lakhs)	25	24
INR (in Lakhs)	2,088	1,836

**Exposure to currency risk**

The currency profile of financial assets & other assets and financial & other liabilities as at March 31, 2023 and March 31, 2022 are as below:

Particulars		March 31, 2023		March 31, 2022	
		Amount in foreign currency	INR	Amount in foreign currency	INR
Bank balances	USD	1	102	2	164
Receivables	GBP	0	31	0	27
	NOK	-	-	5	41
	USD	96	7,815	100	7,606
Foreign currency loans (refer note below)	USD	-	-	8	615
Customer advances	USD	0	28	0	21
Advance recoverable (including capital advance)	EURO	0	4	0	23
	GBP	0	20	-	-
Trade and other payables	USD	4	314	5	358
	NOK	25	202	4	41
	EURO	0	2	-	-

**Note :**

i) During the year ended March 31, 2020, the Group availed foreign currency loan amounting to USD 4,174,494 at interest rate of 3 month libor+ 2.75% per annum. The Group, as per the agreed terms and conditions of the foreign currency loan had entered into cross currency swaps (CCS) to hedge the exposure of foreign exchange rate and interest rate fluctuations. Accordingly the Group fixed the USD/INR exchange rate and converted the floating interest rate borrowings to a fixed interest rate borrowings at 7.55% per annum. Since the critical terms of the CCS and the principal terms of the loan are same, based on the internal assessment carried out by the management of the Group, the mark to market valuation of the CCS and the net of gain/loss on the underlying loan is offset.



**Sensitivity analysis\***

For the year ended March 31, 2023 and March 31, 2022, every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Group would impact profit before tax by Rs. 53 / (Rs. 53) and Rs. 50 / (Rs. 50) respectively.

\*Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges.

**(iii) Price risk**

The Group invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks. However, given the short tenure of the underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

**b) Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing/financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The carrying amount of financial instruments represents the maximum exposure to credit risk.

**Trade receivables**

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit evaluation before entering into an arrangement. Outstanding customer receivables are regularly monitored.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group considers provision for receivables from group company on specific identification basis.

The Group has evaluated credit risk for customers. Any customer related specific information has been factored over and above the probability of default (PD). The Group uses provision matrix to determine impairment loss allowance on its portfolio of receivables. The provision matrix takes into account historical credit loss experience over the expected life of the trade receivables and is adjusted for forward-looking estimates/ information. 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 as at March 31, 2023, March 31, 2022 are as follows:

Ageing	As at March 31, 2023	As at March 31, 2022
0-90 Days	0%-2.45%	0-2.63%
91-180 Days	2.45%-25%	2.63%-25%
181-365 Days	44.65%-50%	34.03%-50%
> 365 Days	100%	100.00%

Movement in the expected credit loss allowance	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	559	673
Expected credit loss provision made/(reversed) on trade receivables calculated at lifetime expected credit losses	141	(114)
As at the end of the year	700	559

**c) Liquidity risk**

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

**Exposure to liquidity risk**

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows:

**As at March 31, 2023:**

	Less than 1 year	1-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities:</b>				
Lease liabilities	1,118	3,219	4,813	9,150
Borrowings	3,122	377	-	3,499
Trade payables	25,075	-	-	25,075
Other financial liabilities	39,714	582	-	40,296
<b>Total non-derivative financial liabilities</b>	<b>69,029</b>	<b>4,178</b>	<b>4,813</b>	<b>78,020</b>

**As at March 31, 2022:**

	Less than 1 year	1-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities:</b>				
Lease liabilities	1,080	3,804	5,194	10,078
Borrowings	3,135	401	-	3,536
Trade payables	21,308	-	-	21,308
Other financial liabilities	38,346	354	-	38,700
<b>Total non-derivative financial liabilities</b>	<b>63,869</b>	<b>4,559</b>	<b>5,194</b>	<b>73,622</b>



**53 Earnings per share (EPS)**

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

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

The following reflects the profit and share capital data used in the basic and diluted EPS computation:

**Weighted average number of Equity shares**

Number of equity shares at the beginning of the year

Equity shares to be issued upon conversion of ROCPS

**Weighted average number of equity shares outstanding at the end of the year**

**For the year ended  
March 31, 2023**

**For the year ended  
March 31, 2022**

1,23,30,269

1,23,30,269

6,11,128

6,11,128

**1,29,41,397**

**1,29,41,397**

**For the year ended  
March 31, 2023**

**For the year ended  
March 31, 2022**

33,913

11,718

Profit attributable to the equity shareholders

Basic earnings per share

262

91

Diluted earnings per share

262

91

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54 Additional information required under Schedule III to the Companies Act, 2013

Name of the entity in the group	For the year ended March 31, 2023					
	Net Assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount
<b>Parent</b>						
MTR Foods Private Limited	100%	2,24,275	100%	33,796	135%	(199)
<b>Subsidiaries - Indian</b>						
Rasoi Magic Foods Private Limited	0%	(135)	0%	133	4%	(5)
BAMS Condiments Impex Private Limited	0%	67	0%	51	-	-
Eastern Food Speciality Formulations Private Limited	0%	(26)	0%	(0)	-	-
<b>Associate - Indian (accounted under equity method)</b>						
Pot Ful India Private Limited	0%	(133)	0%	(144)	-	-
<b>Joint venture - Foreign (accounted under equity method)</b>						
Eastern Condiments Middle East & North Africa FZC, UAE	0%	925	1%	263	-39%	57
Adjustment arising out of consolidation	0%	(1,012)	-1%	(186)	0%	-
<b>Total</b>	<b>100%</b>	<b>2,23,961</b>	<b>100%</b>	<b>33,913</b>	<b>100%</b>	<b>(147)</b>
						<b>33,766</b>
Name of the entity in the group	For the year ended March 31, 2022					
	Net Assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount
<b>Parent</b>						
MTR Foods Private Limited	98%	1,87,227	70%	8,169	-283%	59
<b>Subsidiaries - Indian</b>						
Rasoi Magic Foods Private Limited	0%	(263)	-	45	-3%	1
Eastern Condiments Private Limited (erstwhile subsidiary) (refer note 42)	20%	38,194	45%	5,259	386%	(81)
BAMS Condiments Impex Private Limited	0%	16	-	36	-	-
Eastern Food Speciality Formulations Private Limited	0%	(25)	-	-	-	-
<b>Associates - Indian (accounted under equity method)</b>						
Pot Ful India Private Limited	0%	(39)	-1%	(105)	-	-
<b>Joint Venture - Foreign (accounted under equity method)</b>						
Eastern Condiments Middle East & North Africa FZC, UAE	0%	605	0%	43	-	-
Adjustment arising out of consolidation	-18%	(35,568)	-14%	(1,729)	386%	-
<b>Total</b>	<b>100%</b>	<b>1,90,147</b>	<b>100%</b>	<b>11,718</b>	<b>486%</b>	<b>(21)</b>
						<b>11,697</b>

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**55 Other statutory information**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Group has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) The Group has not traded or invested in Cryptocurrency or Virtual currency during the year ended March 31, 2023.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group has not received any fund from any person(s) or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Group do not have any transactions with companies struck off.

**56** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



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**MTR Foods Private Limited**

**Notes to consolidated financial statements for the year ended March 31, 2023**

**(All amounts are in Indian Rupees Lakhs, unless stated otherwise)**

**57 Ratio analysis and it's element**

The ratios have not been disclosed in the consolidated Ind AS financial statements pursuant to the guidance under the Revised Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ( 'ICAI' ).

**58 Previous year figures**

The comparative figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date

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

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

  
per Sumil Gaggar  
Partner

Membership no.: 104315




**For and on behalf of the board of directors of  
MTR Foods Private Limited**

  
Atle Vidar Johnsen  
Chairman  
DIN: 01361367

  
B.G. Shenoy  
Chief Financial Officer

  
Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

  
Ragee Raju  
Company Secretary  
(Membership no: F11322)

Place: Bengaluru

Date: September 19, 2023

Place: Bengaluru

Date: September 19, 2023

