

## INDEPENDENT AUDITOR'S REPORT

To the Members of Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Orkla India Limited [formerly known as Orkla India Private Limited and MTR Foods Private Limited] (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associate and joint venture comprising of the consolidated Balance Sheet as at March 31, 2026, 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 material 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 and on the other financial information of the subsidiary, 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, 2026, 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

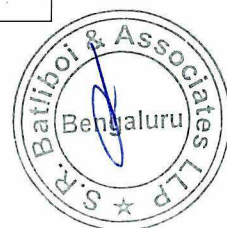
We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the Management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



# S.R. BATLIBOI & ASSOCIATES LLP

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| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| Revenue from contract with customers (as described in note 2.3(d) and note 27 of the consolidated financial statements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Revenue from sale of products for the year ended March 31, 2026 aggregated Rs. 24,928.9 million in the consolidated financial statements.</p> <p>The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the revenue, the Group considers the effects of rebates and discounts (variable consideration) given to the customers. At year-end, amounts for variable consideration that have been incurred and not yet provided to the customers are estimated and accrued.</p> <p>The terms of sales arrangements in case of export sales, including the timing of transfer of control, and estimate of discounts and rebate arrangements/ schemes at the year-end require judgment in determining revenue.</p> <p>Accordingly, we have determined this area to be key audit matters in our audit of the consolidated financial statements.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• We assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and performed testing thereof;</li><li>• We assessed and tested the design and operating effectiveness of the Group's internal financial controls over the revenue recognition process;</li><li>• We assessed the Management's computations for accrual of discounts and rebates and on a sample basis compared the accruals made with the approved schemes and underlying documents;</li><li>• We performed testing on a sample basis, the subsequent claims accounted by the Group, to assess the adequacy of accruals outstanding as at year-end;</li><li>• We performed an analysis between historical accrual and actual expenses incurred for the previous years;</li><li>• We obtained reasons from Management to ascertain reasonableness in relation to ageing of outstanding accruals and verified subsequent settlement of provisions;</li><li>• On a sample basis, we tested the supporting documents for sales transactions recorded near to the year end; and</li><li>• We assessed the disclosures in consolidated financial statements in respect of revenue, as specified in Ind AS 115.</li></ul> |
| Impairment assessment of goodwill and intangible assets with an indefinite life (as described in note 2.3(h), 2.3(i) and note 5 of the consolidated financial statements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The Group's balance sheet includes Rs. 10,116.1 million of goodwill and Rs. 5,730.0 million of other intangible assets with an indefinite life. These are allocated to Cash Generating Units (CGUs) and are tested annually for impairment.</p> <p>The determination of value in use is based on Management's assumptions of variables and market conditions such as sales growth rates, future operating expenditure, discount rates and long-term growth rates.</p> <p>The annual impairment testing is considered a significant accounting estimate as the assumptions on which such estimates are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain. Accordingly, we have</p>                                                                                                                                                                                                                                                           | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• We understood, evaluated and tested Management's key controls over the impairment assessment process;</li><li>• We assessed the Group methodology applied in determining the CGUs recoverable value. In making this assessment, we also evaluated the objectivity and independence of Group's experts involved in the process;</li><li>• We evaluated the basis of Management assumptions in respect of future sales growth rate, future operating expenditure, discount rate and long-term growth rate used to determine the recoverable value;</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |





| Key audit matters                                                                                   | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| determined this area to be key audit matters in our audit of the consolidated financial statements. | <ul style="list-style-type: none"><li>• We have engaged valuation expert to review the assumptions used by the Management specialist to determine the recoverable amount;</li><li>• We tested the arithmetical accuracy of the impairment testing models; and</li><li>• We assessed the disclosure in the consolidated financial statements as per the relevant accounting standards.</li></ul> |

**Other Information**

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

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

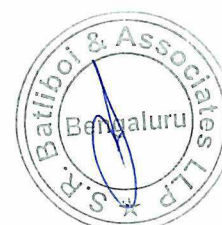
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the applicable laws and regulations.

**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 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 Matters**

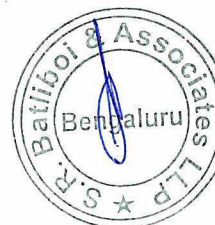
- (a) We did not audit the financial statements and other financial information, in respect of one subsidiary whose financial statements include total assets of Rs. 237.4 million as at March 31, 2026, and total revenue of Rs. 462.9 million and net cash inflows of Rs. 22.5 million for the year ended on that date. Those financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report have been furnished to us by the Management. The consolidated financial statements also include the Group's share of net loss of Rs. 4.3 million for the year ended March 31, 2026, as considered in the consolidated financial statements, in respect of an associate and 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 subsidiary, 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 subsidiary, associate and joint venture, 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 respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective 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 auditor 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 and the financial statements and other financial information certified by the Management.

## **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 associate company, incorporated in India and to the extent applicable, 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 report of the other auditors on separate financial statements and the other financial information of subsidiary, 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 the preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of other auditor except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
  - (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;





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- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate company, none of the directors of the Holding Company and its associate, incorporated in India, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, based on our audit, refer to our separate Report in "Annexure 2" to this report. This report, however, does not include a Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls') in respect of an associate company, since based on the corresponding reports of other auditor as noted in the 'Other Matter' paragraph and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the said associate company basis the exemption available to the said associate company 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 consolidated financial statements;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. The provisions of Section 197 read with Schedule V of the Act are not applicable to the associate company, incorporated in India for the year ended March 31, 2026;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, 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 40 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, 2026;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate, incorporated in India during the year ended March 31, 2026.
  - iv.
    - a) The respective Managements of the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such 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 its associate to or in any other persons or entities, 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 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 associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such 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





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received by the respective Holding Company or its associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or 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 auditor of the 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 and its associate company, incorporated in India.
- vi. Based on our examination which included test checks, the Holding Company and auditor of associate which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 50 to the consolidated financial statements, the Holding Company and associate has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded. Further, during the course of our audit, we and the auditor of the above referred associate did not come across any instance of audit trail feature being tampered with, in respect of other accounting software.

Additionally, the audit trail of prior years has been preserved by the Holding Company and above referred associate as per the statutory requirements for record retention, to the extent it was enabled and recorded in the prior years, as stated in note 50 to the consolidated financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Sunil Gaggar**

Partner

Membership Number: 104315

UDIN: 26104315HNVZMU2553



Place: Bengaluru

Date: May 19, 2026

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

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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 auditor on separate financial statements and other financial information of the associate company incorporated in India, we state that:

(xxi) There are no 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. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

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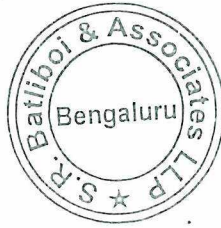
ICAI Firm Registration Number: 101049W/E300004

per  **Sunil Gaggar**

Partner

Membership Number: 104315

UDIN: 26104315HNVZMU2553



Place: Bengaluru

Date: May 19, 2026



**Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Orkla India Limited (formerly known as Orkla India Private Limited and 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 Orkla India Limited [formerly known as Orkla India Private Limited and MTR Foods Private Limited] (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company which is a company incorporated in India, as of that date.

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

The Board of Directors of the Holding Company which is a company incorporated in India, is 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these 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 these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to these 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 these consolidated financial statements.

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

A company's internal financial control with reference to the 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 the 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 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.



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

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## **Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the 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 the consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to the 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 Holding Company, which is a company 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 the consolidated financial statements were operating effectively as at March 31, 2026, 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 **Sunil Gaggar**

Partner

Membership Number: 104315

UDIN: 26104315HNVZMU2553



Place: Bengaluru

Date: May 19, 2026



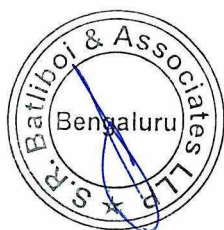
Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Consolidated Balance Sheet as at March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

|                                                    | Notes | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Assets</b>                                      |       |                         |                         |
| <b>Non-current assets</b>                          |       |                         |                         |
| Property, plant and equipment                      | 3     | 3,302.6                 | 3,485.1                 |
| Capital work-in-progress                           | 3     | 36.7                    | 77.8                    |
| Right-of-use assets                                | 4a    | 469.1                   | 394.6                   |
| Goodwill                                           | 5     | 10,116.1                | 10,116.1                |
| Other intangible assets                            | 5     | 5,787.3                 | 5,810.3                 |
| Investments accounted for using equity method      | 6a    | 288.3                   | 278.1                   |
| <b>Financial assets</b>                            |       |                         |                         |
| Investments                                        | 6a    | 0.0                     | 0.0                     |
| Loans                                              | 7     | 7.0                     | 4.6                     |
| Other financial assets                             | 8     | 85.1                    | 76.7                    |
| Other non-current assets                           | 9     | 77.1                    | 35.8                    |
| Income tax assets (net)                            | 10    | 1,248.5                 | 1,148.8                 |
|                                                    |       | <b>21,417.8</b>         | <b>21,427.9</b>         |
| <b>Current assets</b>                              |       |                         |                         |
| Inventories                                        | 12    | 2,953.4                 | 3,087.5                 |
| <b>Financial assets</b>                            |       |                         |                         |
| Investments                                        | 6b    | 5,445.0                 | 1,474.3                 |
| Trade receivables                                  | 13    | 1,826.0                 | 1,626.2                 |
| Cash and cash equivalents                          | 14    | 228.9                   | 812.8                   |
| Bank balances other than cash and cash equivalents | 15    | 0.0                     | 1,094.3                 |
| Loans                                              | 16    | 28.6                    | 24.4                    |
| Other financial assets                             | 17    | 850.0                   | 999.4                   |
| Other current assets                               | 18    | 979.3                   | 875.6                   |
|                                                    |       | <b>12,311.2</b>         | <b>9,994.5</b>          |
| Assets held for sale                               | 19    | 290.6                   | 290.6                   |
|                                                    |       | <b>12,601.8</b>         | <b>10,285.1</b>         |
| <b>Total assets</b>                                |       | <b>34,019.6</b>         | <b>31,713.0</b>         |
| <b>Equity and liabilities</b>                      |       |                         |                         |
| <b>Equity</b>                                      |       |                         |                         |
| Equity share capital                               | 20    | 137.0                   | 137.0                   |
| Other equity                                       | 21    | 27,363.3                | 24,458.0                |
| <b>Total equity</b>                                |       | <b>27,500.3</b>         | <b>24,595.0</b>         |
| <b>Non-current liabilities</b>                     |       |                         |                         |
| <b>Financial liabilities</b>                       |       |                         |                         |
| Lease liabilities                                  | 4b    | 537.1                   | 452.2                   |
| Other financial liabilities                        | 23a   | 106.7                   | 140.2                   |
| Deferred tax liabilities (net)                     | 11    | 1,154.2                 | 1,035.6                 |
|                                                    |       | <b>1,798.0</b>          | <b>1,628.0</b>          |



Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Consolidated Balance Sheet as at March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

|                                                                                        | Notes | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Current liabilities</b>                                                             |       |                         |                         |
| Financial liabilities                                                                  |       |                         |                         |
| Lease liabilities                                                                      | 4b    | 91.0                    | 91.8                    |
| Trade payables                                                                         |       |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises                      | 22    | 371.9                   | 651.4                   |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 22    | 2,166.0                 | 2,046.9                 |
| Other financial liabilities                                                            | 23b   | 1,446.9                 | 1,662.5                 |
| Other current liabilities                                                              | 24    | 174.4                   | 759.0                   |
| Provisions                                                                             | 25    | 467.5                   | 276.7                   |
| Current tax liabilities (net)                                                          | 26    | 3.6                     | 1.7                     |
|                                                                                        |       | <b>4,721.3</b>          | <b>5,490.0</b>          |
| <b>Total liabilities</b>                                                               |       | <b>6,519.3</b>          | <b>7,118.0</b>          |
| <b>Total equity and liabilities</b>                                                    |       | <b>34,019.6</b>         | <b>31,713.0</b>         |

Summary of material 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 attached herein

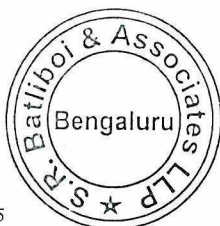
For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per **Sunil Gaggar**  
Partner  
Membership no.: 104315

Place: Bengaluru  
Date: May 19, 2026



For and on behalf of the Board of Directors of

**Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)**

CIN: L15136KA1996PLC021007

**Atle Vidar Nagel Johansen**  
Chairperson & Director  
DIN: 01361367

Place: Oslo, Norway  
Date: May 19, 2026

**Suniana Calapa**  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2026

**Rashmi Satish Joshi**  
Independent Director  
DIN: 06641898

Place: Mumbai  
Date: May 19, 2026

**Sanjay Sharma**  
Managing Director & Chief Executive Officer  
DIN: 02581107

Place: Oslo, Norway  
Date: May 19, 2026

**Kaushik Seshadri**  
Company Secretary  
Membership no: A41800

Place: Bengaluru  
Date: May 19, 2026





Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)  
CIN: L15136KA1996PLC021007

**Consolidated Statement of Profit and Loss for the year ended March 31, 2026**

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

|                                                                                                       | Notes   | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|-------------------------------------------------------------------------------------------------------|---------|--------------------------------------|--------------------------------------|
| <b>Income</b>                                                                                         |         |                                      |                                      |
| Revenue from operations                                                                               | 27      | 25,091.4                             | 23,947.1                             |
| Other income                                                                                          | 28      | 414.3                                | 605.3                                |
| <b>Total income</b>                                                                                   |         | <b>25,505.7</b>                      | <b>24,552.4</b>                      |
| <b>Expenses</b>                                                                                       |         |                                      |                                      |
| Cost of raw materials and packing materials consumed                                                  | 29      | 11,091.0                             | 11,741.3                             |
| Purchase of stock-in-trade                                                                            | 30      | 2,839.9                              | 1,439.7                              |
| (Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade           | 31      | (29.6)                               | 27.4                                 |
| Employee benefits expense                                                                             | 32      | 2,509.5                              | 2,461.9                              |
| Finance costs                                                                                         | 33      | 67.1                                 | 65.5                                 |
| Depreciation and amortisation expense                                                                 | 34      | 541.4                                | 617.3                                |
| Other expenses                                                                                        | 35      | 4,491.4                              | 4,308.4                              |
| <b>Total expenses</b>                                                                                 |         | <b>21,510.7</b>                      | <b>20,661.5</b>                      |
| <b>Profit before share of profit/(loss) of associate and joint venture, exceptional items and tax</b> |         | <b>3,995.0</b>                       | <b>3,890.9</b>                       |
| Exceptional items (net)                                                                               | 51      | (166.6)                              | (336.4)                              |
| <b>Profit before tax and share of profit/(loss) of associate and joint venture</b>                    |         | <b>3,828.4</b>                       | <b>3,554.5</b>                       |
| Share of loss from associate and joint venture                                                        | 38      | (4.3)                                | (4.0)                                |
| <b>Profit before tax</b>                                                                              |         | <b>3,824.1</b>                       | <b>3,550.5</b>                       |
| <b>Tax expense:</b>                                                                                   |         |                                      |                                      |
| - Current tax                                                                                         | 36      | 842.7                                | 870.6                                |
| - Income tax credit relating to prior years                                                           | 36      | -                                    | (13.4)                               |
| - Deferred tax charge                                                                                 | 36      | 124.7                                | 136.4                                |
| <b>Total tax expense</b>                                                                              |         | <b>967.4</b>                         | <b>993.6</b>                         |
| <b>Profit for the year</b>                                                                            |         | <b>2,856.7</b>                       | <b>2,556.9</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 loss on defined benefit plans                                                      | 37      | (24.3)                               | (19.6)                               |
| Income tax effect on above                                                                            | 36      | 6.1                                  | 4.9                                  |
| (b) Fair value losses on equity instruments                                                           | 6a      | -                                    | (24.6)                               |
| Income tax effect on above                                                                            | 36      | -                                    | -                                    |
|                                                                                                       |         | <b>(18.2)</b>                        | <b>(39.3)</b>                        |
| <b>Items that will be reclassified to profit or loss in subsequent periods:</b>                       |         |                                      |                                      |
| (a) Exchange differences on translation of foreign operations                                         | 38      | 19.5                                 | 3.7                                  |
| Income tax effect on above                                                                            | 38      | -                                    | -                                    |
|                                                                                                       |         | <b>19.5</b>                          | <b>3.7</b>                           |
| <b>Total other comprehensive income/(loss) for the year, net of tax</b>                               |         | <b>1.3</b>                           | <b>(35.6)</b>                        |
| <b>Total comprehensive income for the year, net of tax</b>                                            |         | <b>2,858.0</b>                       | <b>2,521.3</b>                       |
| <b>Earnings per equity share</b>                                                                      | 48      |                                      |                                      |
| Basic                                                                                                 |         | 20.9                                 | 18.7                                 |
| Diluted                                                                                               |         | 20.8                                 | 18.7                                 |
| <b>Summary of material accounting policies</b>                                                        | 22 & 23 |                                      |                                      |

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

As per our report of even date attached herein

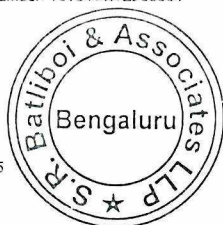
**For S.R. Batliboi & Associates LLP**

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per Sunil Gaggar  
Partner  
Membership no. 104315

Place: Bengaluru  
Date: May 19, 2026



For and on behalf of the Board of Directors of

**Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods**

CIN: L15136KA1996PLC021007

Atle Vidar Nagel Johansen  
Chairperson & Director  
DIN: 01361367

Place: Oslo, Norway  
Date: May 19, 2026

Suniana Calapa  
Chief Financial Officer

Place: Mumbai  
Date: May 19, 2026

Rashmi Satish Joshi  
Independent Director  
DIN: 06641898

Place: Mumbai  
Date: May 19, 2026

Sanjay Sharma  
Managing Director & Chief Executive Officer  
DIN: 02581107

Place: Oslo, Norway  
Date: May 19, 2026

Kabir Seshadri  
Company Secretary  
Membership no. A41800

Place: Bengaluru  
Date: May 19, 2026



Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Consolidated Cash Flow Statement for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

|                                                                                                                           | Notes | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|---------------------------------------------------------------------------------------------------------------------------|-------|--------------------------------------|--------------------------------------|
| <b>A. Cash flows from operating activities</b>                                                                            |       |                                      |                                      |
| Profit before tax                                                                                                         |       | 3,824.1                              | 3,550.5                              |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b>                                                      |       |                                      |                                      |
| Exceptional items (net) [refer note 51 (i) to (iii)]                                                                      |       | -                                    | 336.4                                |
| Share of profit/(loss) of associate and joint venture                                                                     | 38    | 4.3                                  | 4.0                                  |
| Loss on liquidation of subsidiary                                                                                         |       | -                                    | 2.5                                  |
| Share based payment                                                                                                       | 32    | 47.3                                 | 3.3                                  |
| Depreciation of property, plant and equipment                                                                             | 34    | 422.3                                | 410.7                                |
| Amortisation of intangible assets                                                                                         | 34    | 32.3                                 | 124.2                                |
| Depreciation of right-of-use assets                                                                                       | 34    | 86.8                                 | 82.4                                 |
| Interest expense - others                                                                                                 | 33    | -                                    | 0.6                                  |
| Interest expense - lease liabilities                                                                                      | 33    | 57.4                                 | 54.4                                 |
| Unwinding of security deposit                                                                                             | 28    | (3.0)                                | (3.2)                                |
| Fair value loss on financial instruments at fair value through profit or loss                                             | 35    | 56.0                                 | -                                    |
| Gain on termination/modification of right-of-use assets                                                                   | 28    | (1.5)                                | (1.4)                                |
| Impairment loss/ (reversal of impairment loss) on trade receivables                                                       | 35    | 0.4                                  | (49.6)                               |
| Property, plant and equipment/capital work-in-progress written off                                                        |       | 3.2                                  | 8.1                                  |
| Profit on sale of investments in units of mutual funds                                                                    | 28    | (80.0)                               | (300.4)                              |
| Bad debts/advances written off                                                                                            | 35    | 13.0                                 | 61.7                                 |
| Provision for doubtful advances                                                                                           |       | (1.3)                                | -                                    |
| Fair value gain on financial instruments at fair value through profit and loss                                            | 28    | (123.2)                              | (55.7)                               |
| Liabilities written back                                                                                                  | 28    | (9.9)                                | (50.8)                               |
| (Gain)/loss on sale of property, plant and equipment (net)                                                                | 28    | (2.8)                                | (2.1)                                |
| Dividend income                                                                                                           |       | (0.0)                                | (0.0)                                |
| Interest income                                                                                                           | 28    | (49.6)                               | (140.1)                              |
| Unrealised foreign exchange gain (net)                                                                                    |       | (64.5)                               | 4.6                                  |
| <b>Operating profit before working capital adjustments</b>                                                                |       | <b>4,211.3</b>                       | <b>4,040.1</b>                       |
| <b>Working capital adjustments:</b>                                                                                       |       |                                      |                                      |
| (Increase)/decrease in trade receivables                                                                                  |       | (146.6)                              | 86.5                                 |
| (Increase)/decrease in inventories                                                                                        |       | 134.1                                | (118.1)                              |
| (Increase) in financial assets, loans and other assets                                                                    |       | 203.3                                | (248.1)                              |
| Increase in trade payables                                                                                                |       | (150.5)                              | 395.2                                |
| Increase in financial liabilities and other liabilities                                                                   |       | (865.6)                              | 726.3                                |
| Increase in provisions                                                                                                    |       | 166.4                                | 64.1                                 |
| <b>Cash generated from operations</b>                                                                                     |       | <b>3,552.4</b>                       | <b>4,946.0</b>                       |
| Income tax paid (net of refunds)                                                                                          |       | (940.6)                              | (1,029.3)                            |
| <b>Net cash flow from operating activities (A)</b>                                                                        |       | <b>2,611.8</b>                       | <b>3,916.7</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) |       | (221.3)                              | (208.1)                              |
| Proceeds from sale of property, plant and equipment                                                                       |       | 8.2                                  | 13.9                                 |
| Purchase of units of mutual funds                                                                                         |       | (10,775.0)                           | (12,615.2)                           |
| Proceeds from sale of units of mutual funds                                                                               |       | 7,007.5                              | 14,452.0                             |
| Proceeds from the settlement of indemnity as per Share Purchase Agreement                                                 |       | -                                    | 124.3                                |
| Repayment of loan by associate                                                                                            |       | -                                    | 50.0                                 |
| Proceeds from deposits with bank and margin money deposits with original maturity more than 3 months (net)                |       | 1,093.9                              | 700.0                                |
| Proceeds from maturity of deposits with financial institutions                                                            |       | 250.0                                | -                                    |
| Investment in deposits with financial institutions                                                                        |       | (500.0)                              | -                                    |
| Interest received                                                                                                         |       | 59.6                                 | 137.1                                |
| Dividend received                                                                                                         |       | 0.0                                  | 0.0                                  |
| Purchase of other non-current investments                                                                                 |       | -                                    | (24.6)                               |
| <b>Net cash flow (used in)/generated from investing activities (B)</b>                                                    |       | <b>(3,077.1)</b>                     | <b>2,629.4</b>                       |
| <b>C. Cash flow from financing activities</b>                                                                             |       |                                      |                                      |
| Payment of principal portion of lease liabilities                                                                         |       | (70.3)                               | (74.6)                               |
| Interest on lease liabilities paid                                                                                        |       | (57.4)                               | (54.4)                               |
| Dividend paid                                                                                                             |       | -                                    | (6,000.1)                            |
| <b>Net cash flow used in financing activities (C)</b>                                                                     |       | <b>(127.7)</b>                       | <b>(6,129.1)</b>                     |





Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Consolidated Cash Flow Statement for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

|                                                                                      | Notes | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------------------------------------|-------|--------------------------------------|--------------------------------------|
| Net increase in cash and cash equivalents (A+B+C)                                    |       | (593.0)                              | 417.0                                |
| Effect of exchange differences on cash and cash equivalents held in foreign currency |       | 9.1                                  | -                                    |
| Cash and cash equivalents at the beginning of the year                               | 14    | 812.8                                | 395.8                                |
| Cash and cash equivalents at the end of the year                                     | 14    | 228.9                                | 812.8                                |
| <b>Components of cash and cash equivalents</b>                                       |       |                                      |                                      |
| Cash on hand                                                                         | 14    | 0.2                                  | 0.5                                  |
| Balances with banks:                                                                 |       |                                      |                                      |
| On current accounts                                                                  | 14    | 228.7                                | 812.3                                |
| Deposit with original maturity of less than or equal to 3 months                     |       |                                      |                                      |
| <b>Total cash and cash equivalents (refer note 14)</b>                               |       | <b>228.9</b>                         | <b>812.8</b>                         |

Summary of material accounting policies

2.2 & 2.3

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

**Notes:**

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
2. Refer note 15 for Change in Liabilities arising from financing activities and for non-cash financing and investing activities.



As per our report of even date attached herein

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per Sanil Gaggar  
Partner  
Membership no.: 104315

Place: Bengaluru  
Date: May 19, 2026



For and on behalf of the Board of Directors of

Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Atle Vidar Nagel Johansen  
Chairperson & Director  
DIN: 01361367

Place: Oslo, Norway  
Date: May 19, 2026

Suniana Calapa  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2026

Rashmi Satish Joshi  
Independent Director  
DIN: 06641898

Place: Mumbai  
Date: May 19, 2026

Sanjay Sharma  
Managing Director & Chief Executive Officer  
DIN: 02581107

Place: Oslo, Norway  
Date: May 19, 2026

Kaushik Seshadri  
Company Secretary  
Membership no: A41800

Place: Bengaluru  
Date: May 19, 2026



Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

a) Equity share capital

Equity shares, issued, subscribed and fully paid

As at April 1, 2025 (face value of Rs. 10 each)

Shares extinguished on splitting\*

Issue of equity shares by sub-division of face value from Rs. 10 to Re. 1\*

As at March 31, 2026 (face value of Re. 1 each)

As at April 1, 2024 (face value of Rs. 10 each)

Redeemable Optionally Convertible Preference Shares (ROCPS) converted to equity shares (refer note 49)

As at March 31, 2025 (face value of Rs. 10 each)

| Nos.          | Amount |
|---------------|--------|
| 1,36,98,923   | 137.0  |
| (1,36,98,923) | -      |
| 13,69,89,230  | -      |
| 13,69,89,230  | 137.0  |
| 1,33,93,359   | 134.0  |
| 3,05,564      | 3.0    |
| 1,36,98,923   | 137.0  |

\* During the year ended March 31, 2026, one equity share of face value of Rs. 10 each was split into 10 equity shares of face value of Re. 1 each fully paid up.

b) Instruments entirely equity in nature

Redeemable Optionally Convertible Preference Shares (ROCPS) issued, subscribed and fully paid up

As at April 1, 2025 (face value of Rs. 10 each)

Shares issued during the year

As at March 31, 2026 (face value of Rs. 10 each)

As at April 1, 2024 (face value of Rs. 10 each)

Converted to equity shares (refer note 49)

As at March 31, 2025 (face value of Rs. 10 each)

|            |       |
|------------|-------|
| -          | -     |
| -          | -     |
| -          | -     |
| 3,05,564   | 3.0   |
| (3,05,564) | (3.0) |
| -          | -     |

For movement in share capital, refer note 20

c) Other equity

|                                                                                 | Reserve and surplus |                            |                 |                   |                          | Legal reserve | Share options outstanding account (refer note 41) | Other comprehensive income           |                                               | Total     |
|---------------------------------------------------------------------------------|---------------------|----------------------------|-----------------|-------------------|--------------------------|---------------|---------------------------------------------------|--------------------------------------|-----------------------------------------------|-----------|
|                                                                                 | Securities premium  | Capital redemption reserve | Capital reserve | Retained earnings | Contribution from Parent |               |                                                   | Foreign currency translation reserve | Fair value gain/ (loss) on equity instruments |           |
| As at April 1, 2025                                                             | 11,095.0            | 33.7                       | 6,030.6         | 7,269.0           | 28.4                     | 1.3           | -                                                 | 13.4                                 | (13.4)                                        | 24,458.0  |
| Profit for the year                                                             | -                   | -                          | -               | 2,856.7           | -                        | -             | -                                                 | -                                    | -                                             | 2,856.7   |
| Dividend                                                                        | -                   | -                          | -               | -                 | -                        | -             | -                                                 | -                                    | -                                             | -         |
| Other comprehensive income (net of tax)                                         | -                   | -                          | -               | (18.2)            | -                        | -             | -                                                 | 19.5                                 | -                                             | 1.3       |
| Total comprehensive income for the year                                         | -                   | -                          | -               | 2,838.5           | -                        | -             | -                                                 | 19.5                                 | -                                             | 2,858.0   |
| Transfer to legal reserve                                                       | -                   | -                          | -               | (2.2)             | -                        | 2.2           | -                                                 | -                                    | -                                             | -         |
| Compensation cost related to employee share based payment plans (refer note 41) | -                   | -                          | -               | -                 | 1.6                      | -             | 45.7                                              | -                                    | -                                             | 47.3      |
| As at March 31, 2026                                                            | 11,095.0            | 33.7                       | 6,030.6         | 10,105.3          | 30.0                     | 3.5           | 45.7                                              | 32.9                                 | (13.4)                                        | 27,363.3  |
| As at April 1, 2024                                                             | 11,095.0            | 33.7                       | 6,030.6         | 10,728.2          | 25.1                     | -             | -                                                 | 9.7                                  | 11.2                                          | 27,933.5  |
| Profit for the year                                                             | -                   | -                          | -               | 2,556.9           | -                        | -             | -                                                 | -                                    | -                                             | 2,556.9   |
| Dividend                                                                        | -                   | -                          | -               | (6,000.1)         | -                        | -             | -                                                 | -                                    | -                                             | (6,000.1) |
| Other comprehensive income (net of tax)                                         | -                   | -                          | -               | (14.7)            | -                        | -             | -                                                 | 3.7                                  | (24.6)                                        | (35.6)    |
| Total comprehensive income for the year                                         | -                   | -                          | -               | (3,457.9)         | -                        | -             | -                                                 | 3.7                                  | (24.6)                                        | (3,478.7) |
| Transfer to legal reserve                                                       | -                   | -                          | -               | (1.3)             | -                        | 1.3           | -                                                 | -                                    | -                                             | -         |
| Compensation cost related to employee share based payment plans (refer note 41) | -                   | -                          | -               | -                 | 3.3                      | -             | -                                                 | -                                    | -                                             | 3.3       |
| As at March 31, 2025                                                            | 11,095.0            | 33.7                       | 6,030.6         | 7,269.0           | 28.4                     | 1.3           | -                                                 | 13.4                                 | (13.4)                                        | 24,458.0  |

Summary of material 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 attached herein

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per Sunil Gaggar  
Partner  
Membership no.: 104315

Place: Bengaluru  
Date: May 19, 2026



For and on behalf of the Board of Directors of

Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Atle Vidar Nagel Johansen  
Chairperson & Director  
DIN: 01361367

Place: Oslo, Norway  
Date: May 19, 2026

Suniana Calapa  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2026

Sanjay Sharma  
Managing Director & Chief Executive Officer  
DIN: 02581107

Place: Oslo, Norway  
Date: May 19, 2026

Kaushik Seshadri  
Company Secretary  
Membership no: A41800

Place: Bengaluru  
Date: May 19, 2026

Rashmi Satish Joshi  
Independent Director  
DIN: 06641898

Place: Mumbai  
Date: May 19, 2026





**Orkla India Limited (formerly Orkla India Private Limited and MTR Foods Private Limited)**

**CIN: L15136KA1996PLC021007**

**Notes to consolidated financial statement for the year ended March 31, 2026**

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

## **1.1 Corporate Information**

Orkla India Limited (formerly Orkla India Private Limited and MTR Foods Private Limited) (“the Company” or “Holding Company”) [CIN No. L15136KA1996PLC021007] is a public company domiciled in India and was incorporated at Bangalore in 1996 under the provisions of the Companies Act applicable in India. The registered office of the Company is No. 1, 2<sup>nd</sup> and 3<sup>rd</sup> Floor, 100 Feet, Inner Ring Road, Ashwini Layout, Ejipura, Bengaluru – 560047, Karnataka.

The Company has been converted from Private Limited Company to Public Limited Company, through a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 13, 2025. Consequently, the name of the Company has been changed to Orkla India Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies dated April 25, 2025.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 19, 2026.

## **1.2 Group Information**

The Company and its subsidiary (the Company together with its subsidiary hereinafter referred to as “the Group”) and its associate and joint venture are engaged in the manufacture and sale of instant food mixes, spices, masalas and blended curry powders made of spices, ready-to-eat food products, vermicelli, confectionery, beverages, coffee and 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, pickles, tea, tamarind, coconut oil and oral care products.

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

On December 1, 2018, the Company had acquired 1,112 shares of Pot Ful India Private Limited (Pot Ful), comprising of 10% shareholding in Pot Ful as at April 1, 2019. During the year ended March 31, 2020, the Company had further acquired 252 equity shares from the promoters of Pot Ful, resulting to 26.5% shareholding in Pot Ful and w.e.f July 15, 2019, Pot Ful became an associate of the Company. During the year ended March 31, 2024, the Company additionally subscribed to 218 and 539 equity shares respectively, further resulting to 30.47% shareholding in Pot Ful. During the year ended March 31, 2025, Pot Ful issued 280 shares to other shareholders, resulting in change of the Company's shareholding to 29.87%.

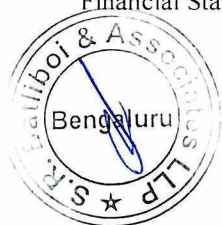
On September 19, 2007, the Group entered into an agreement with Mr. Sameer Kunhu Mohamed to set up a Joint Venture Company Eastern Condiments Middle East & North Africa FZC, incorporated in United Arab Emirates (‘ECMENA’). ECMENA is primarily engaged in trading of spices. ECMENA also renders agency services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

Pursuant to merger order dated March 21, 2025, from the Regional Director, wholly owned subsidiaries, BAMS Condiments Impex Private Limited and Rasoi Magic Foods (India) Private Limited have been merged with the Company from April 1, 2024. Since the entities are under common control, the accounting 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 1, 2023.

## **2. Material accounting policies**

### **2.1 Basis of preparation:**

The consolidated financial statements of the Group comprises of the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the Consolidated Statement of changes in equity, the consolidated cash flow Statement and the summary of material accounting policies and explanatory notes (‘Collectively Consolidated Financial Statements’).



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:

- a) Certain financial assets and liabilities measured at fair value; and
- b) Derivative financial instruments.

The consolidated financial statements are presented in Indian Rupees (Rs.) and all the values are rounded off to the nearest million, except when otherwise indicated. Certain numbers in the notes and disclosures in the consolidated financial statements have been presented as zero with one decimal ("0.0"), 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 Group and its associate and joint venture. 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.

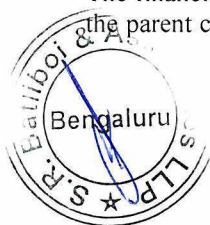
Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over 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; and
- 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 31. 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:**

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries;
- b. 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; and
- c. 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 AS as would be required if the Group had directly disposed of the related assets or liabilities.

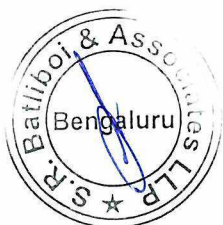
**b. Associate and joint venture**

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 equal 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 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 material 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.

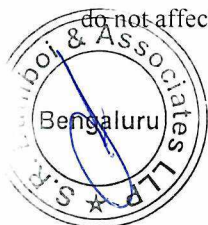
All other assets are classified as non-current.

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 are classified as non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.





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 consolidated financial statements are presented in Indian Rupees Millions, 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:

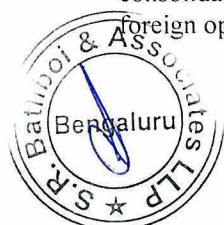
- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.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

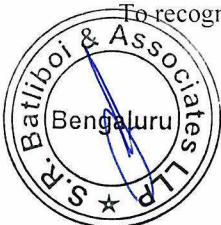
- (i) Disclosure for fair valuation methods, significant estimates and judgements - note 2.4, 5 and 45
- (ii) Financial Instruments (including those carried at amortised cost) - note 4b, 6a, 6b, 7, 8, 13, 14, 15, 16, 17, 22, 23a, 23b and 24

**(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.

- **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).

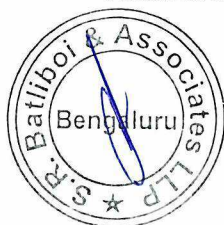
**(ii) Contract balances**

**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(p) 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.

**(iii) 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.

**(iv) 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.

**(v) Dividend Income**

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

**(vi) 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.

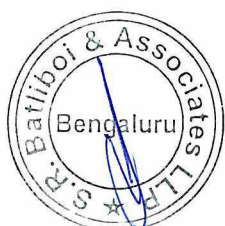
**(vii) Government grant**

The Group may receive government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group 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; and
- (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 Group 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.





**(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.

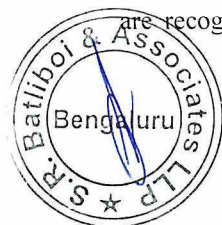
Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, 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 (GST) paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST paid, except:

- i) 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
- ii) 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.





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

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) Non-Current assets held for sale

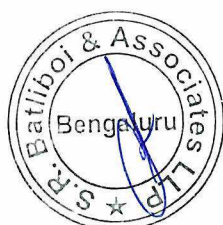
The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

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

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

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

Property, plant and equipment and intangible assets are not depreciated, or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.



**(h) 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:

| <b>Asset category</b> | <b>Useful life by management<br/>(in years)</b> |
|-----------------------|-------------------------------------------------|
| Software              | 3 years                                         |
| Trademarks            | Indefinite                                      |
| Distribution network  | 4 years                                         |
| Recipes               | 10 years                                        |

**(i) 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 Financial Statements 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 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.

#### **(j) Leases**

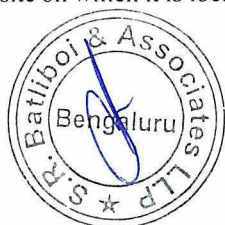
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **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.

##### **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:

| Asset category | 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.

#### Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is 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.

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

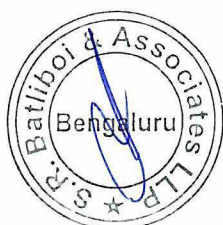
The Group has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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.

#### **(k) Inventories**

|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Inventories are valued as follows:

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

#### **(l) 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-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.

For assets excluding goodwill, 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. An impairment loss recognised for goodwill is not reversed in subsequent periods.

#### **(m) 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.

### **(n) 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:

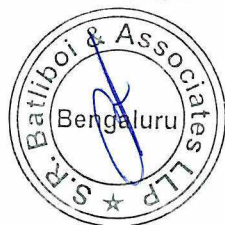
- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs.

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.

**(o) 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.

**(p) 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**

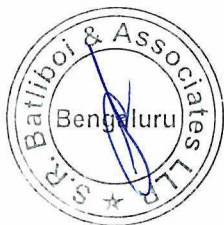
**Initial recognition and measurement**

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 Group 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.

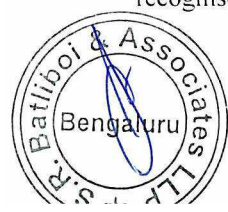
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### **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.

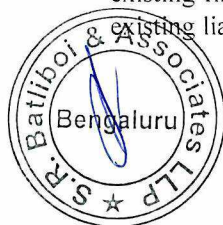
The Group's financial liabilities include trade and other payables, including payable to employees and borrowings.

#### **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.                                                                                             |

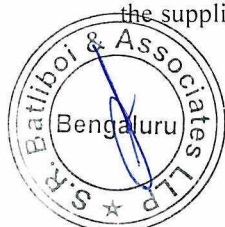
### **Offsetting of financial instruments**

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.

### **(q) Supplier financing arrangements**

The Group has established supplier finance arrangements. The Group evaluates whether financial liabilities covered by such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Group classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the company is not legally released





from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are not met, the Group derecognises its original liability toward the supplier and recognises a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Group (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

For the purposes of cash flow presentation, the economic substance of these transactions are determined to be operating in nature, and accordingly settlement of the liability by the Group is treated as cash flows from operating activities.

**(r) 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.

**(s) 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 Executive Officer (CEO) is the Chief Operating Decision Maker (CODM) who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Refer note 42 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:**

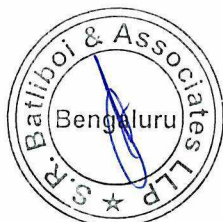
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

**(t) 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.



**(u) 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 financial statements 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.

**(v) 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.

**(w) 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.

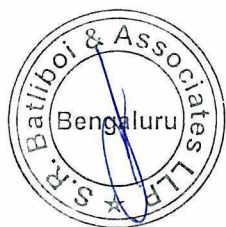
**Estimates and assumptions**

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 37.

**(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**

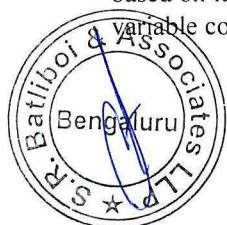
The Group provides for sales return on damaged goods based on trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario and based on the management's assessment of market conditions.

**(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 for 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 46.

**(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 does not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in note 5.

**(i) Share based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses Black and Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 41.

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

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 45 for further disclosures.





## **2.5 New and amended standards**

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2025. The Group has not early adopted any standard, interpretation of amendment that has been issued but is not yet effective.

### **(i) Amendments to Ind AS 21 - Lack of exchangeability**

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 1, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Group's consolidated financial statements.

### **(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

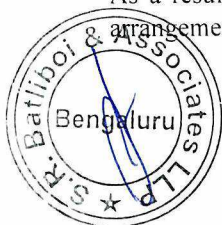
If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after April 1, 2025 retrospectively in accordance with Ind AS 8. The amendments do not have a material impact on the Group's consolidated financial statements.

### **(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements**

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement. Please refer to note 23b.



(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after April 1, 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments had no impact on the Group's consolidated financial statements as the Company is not in scope of the Pillar Two model rules.

## **2.6 Standards notified but not effective**

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Group will adopt these new and amended standards, when they become effective.

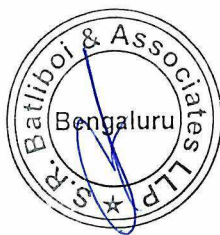
(i) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In accordance with Ind AS 1 currently applicable, breach of an immaterial covenant is ignored deciding in current vs. non-current classification of liabilities. Also, in case of breach of a material covenant of a non-current loan on or before the reporting date, the entity can obtain waiver from the lender after the reporting date and continue to classify the loan as non-current liability.

In accordance with changes to Ind AS 1 already notified by the MCA, the above relaxations to classify loan as non-current liability will not be available from FY 2026-27 onward and need to be applied retrospectively. Consequently:

- A breach of either material or immaterial covenant will trigger current classification of liability.
- To continue classifying loan as non-current liability, entities will need to obtain waiver from the breach on or before the reporting date.

The Group is currently assessing the impact the amendments will have on its consolidated financial statements





Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

### 3 Property, plant and equipment

#### Gross block

As at April 1, 2024

Additions

Disposals

Transfer to assets held for sale (refer note 19)

As at March 31, 2025

Additions

Disposals

As at March 31, 2026

#### Accumulated depreciation and impairment

As at April 1, 2024

Depreciation for the year (refer note 34)

Disposals

Transfer to assets held for sale (refer note 19)

As at March 31, 2025

Depreciation for the year (refer note 34)

Disposals

As at March 31, 2026

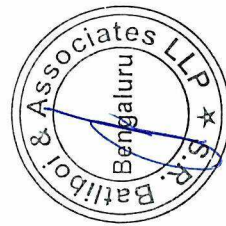
#### Net carrying value as at:

At March 31, 2025

At March 31, 2026

| Land<br>(refer note (i & ii)) | Buildings<br>(On freehold land) | Buildings<br>(On leasehold land) | Leasehold<br>Improvements | Plant and<br>Machinery | Windmill | Office<br>Equipment | Electrical<br>Fittings | Furniture<br>and Fixtures | Vehicles | Total   |
|-------------------------------|---------------------------------|----------------------------------|---------------------------|------------------------|----------|---------------------|------------------------|---------------------------|----------|---------|
| 1,228.1                       | 1,241.2                         | 61.3                             | 36.3                      | 2,689.1                | 63.5     | 152.5               | 81.5                   | 86.2                      | 84.0     | 5,723.7 |
| -                             | 7.3                             | 4.6                              | 1.3                       | 92.4                   | -        | 30.3                | 0.4                    | 5.4                       | -        | 141.7   |
| -                             | (0.5)                           | -                                | (0.8)                     | (38.6)                 | -        | (3.2)               | -                      | (0.3)                     | (14.7)   | (58.1)  |
| (163.9)                       | (159.6)                         | -                                | -                         | -                      | -        | -                   | -                      | -                         | -        | (323.5) |
| 1,064.2                       | 1,088.4                         | 65.9                             | 36.8                      | 2,742.9                | 63.5     | 179.6               | 81.9                   | 91.3                      | 69.3     | 5,483.8 |
| -                             | 16.5                            | 2.7                              | 1.6                       | 179.1                  | -        | 34.6                | 5.4                    | 8.5                       | -        | 248.4   |
| -                             | (0.6)                           | (2.2)                            | -                         | (96.7)                 | -        | (2.3)               | (0.0)                  | (1.4)                     | (3.1)    | (106.3) |
| 1,064.2                       | 1,104.3                         | 66.4                             | 38.4                      | 2,825.3                | 63.5     | 211.9               | 87.3                   | 98.4                      | 66.2     | 5,625.9 |
| -                             | 247.7                           | 13.8                             | 6.7                       | 1,164.7                | 26.4     | 85.4                | 47.0                   | 44.6                      | 26.5     | 1,662.8 |
| -                             | 60.7                            | 5.6                              | 6.7                       | 265.8                  | 9.0      | 33.2                | 8.7                    | 9.6                       | 11.4     | 410.7   |
| -                             | -                               | -                                | (0.8)                     | (29.7)                 | -        | (3.2)               | -                      | (0.2)                     | (8.0)    | (41.9)  |
| -                             | (32.9)                          | -                                | -                         | -                      | -        | -                   | -                      | -                         | -        | (32.9)  |
| -                             | 275.5                           | 19.4                             | 12.6                      | 1,400.8                | 35.4     | 115.4               | 55.7                   | 54.0                      | 29.9     | 1,998.7 |
| -                             | 54.9                            | 6.2                              | 6.4                       | 282.5                  | 9.0      | 34.0                | 10.5                   | 9.4                       | 9.4      | 422.3   |
| -                             | (0.1)                           | (1.3)                            | -                         | (90.4)                 | -        | (2.3)               | (0.0)                  | (1.1)                     | (2.5)    | (97.7)  |
| -                             | 330.3                           | 24.3                             | 19.0                      | 1,592.9                | 44.4     | 147.1               | 66.2                   | 62.3                      | 36.8     | 2,323.3 |
| 1,064.2                       | 812.9                           | 46.5                             | 24.2                      | 1,342.1                | 28.1     | 64.2                | 26.2                   | 37.3                      | 39.4     | 3,485.1 |
| 1,064.2                       | 774.0                           | 42.1                             | 19.4                      | 1,232.4                | 19.1     | 64.8                | 21.1                   | 36.1                      | 29.4     | 3,302.6 |

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**Note:**

(i) Title deeds of immovable properties not held in the name of the Company as at March 31, 2026

| Relevant line item in the Balance sheet                                                      | Description of item of property             | Gross carrying value | Title deeds held in the name of                           | Whether title deed holder is a promoter/director or promoter/director or employee of | Property held since which date | Reason for not being held in the name of the Company                                                                                                                                       |
|----------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property, plant & equipment/ Assets held for sale                                            | Land (freehold and leasehold) and buildings | 1,146.6              | Eastern Condiments Private Limited (ECPL)                 | No                                                                                   | September 01, 2023             | Land & Building pending transfer to the Company on account of scheme of merger which are in the name of erstwhile subsidiary, will be transferred in the name of the Company in due course |
| Property, plant & equipment                                                                  | Land (freehold) and buildings               | 1,042.6              | MTR Foods Private Limited [erstwhile name of the Company] | No                                                                                   | January 04, 2024               | The Company has changed the legal name during the year ended March 31, 2025. The land and building are held in the name of the erstwhile name of the Company                               |
| Title deeds of immovable properties not held in the name of the Company as at March 31, 2025 |                                             |                      |                                                           |                                                                                      |                                |                                                                                                                                                                                            |
| Relevant line item in the Balance sheet                                                      | Description of item of property             | Gross carrying value | Title deeds held in the name of                           | Whether title deed holder is a promoter/director or promoter/director or employee of | Property held since which date | Reason for not being held in the name of the Company                                                                                                                                       |
| Property, plant & equipment                                                                  | Land (freehold and leasehold) and buildings | 1,494.7              | Eastern Condiments Private Limited (ECPL)                 | No                                                                                   | September 01, 2023             | Land & Building pending transfer to the Company on account of scheme of merger which are in the name of erstwhile subsidiary, will be transferred in the name of the Company in due course |
| Property, plant & equipment                                                                  | Land (freehold) and buildings               | 1,036.0              | MTR Foods Private Limited [erstwhile name of the Company] | No                                                                                   | January 04, 2024               | The Company has changed the legal name during the year ended March 31, 2024. The land and building are held in the name of the erstwhile name of the Company                               |

(ii) During the year ended March 31, 2019, ECPL had made advance payment of Rs. 46.5 to a party for purchase of a land situated at Edapally. The concerned land was mortgaged by such party with a bank as security. Further, the land was taken over by the bank as part of its recovery proceedings against the said party in financial year ended March 31, 2019.

During the year ended March 31, 2019, the above-mentioned land was purchased by ECPL through an auction conducted by the bank at a cost of Rs. 37.7. The said amount of Rs. 37.7 was paid by Mr. Navas M Meeran (promoter of ECPL) to ECPL, as agreed by him to secure the title of the land in the name of ECPL. The amount paid by the promoter of ECPL was disclosed as an interest free borrowing. Based on the agreement executed between ECPL and Mr. Navas M Meeran, repayment of borrowings is restricted to the extent of amount recovered from the party. Also, in the event of non-recovery from the aforesaid party, the aforesaid borrowings will be set off against the advance receivable from the party and there would not be any amount payable to Mr. Navas M Meeran and accordingly, difference of Rs. 8.8 was written off during the year ended March 31, 2019.

Further, as per the agreement executed on October 21, 2024 between the Company and Mr. Navas M Meeran, the Company has written off advance receivable from the party aggregating to Rs. 37.7 and written back the borrowings amount payable to Mr. Navas M Meeran aggregating Rs. 37.7 in the year ended March 31, 2025.





(iii) Capital work-in-progress

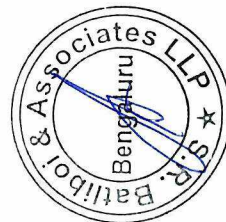
|                      | Amount  |
|----------------------|---------|
| As at April 1, 2024  | 36.2    |
| Additions            | 89.9    |
| Capitalised          | (42.5)  |
| Disposal             | (5.9)   |
| As at March 31, 2025 | 77.8    |
| As at April 1, 2025  | 77.8    |
| Additions            | 128.7   |
| Capitalised          | (169.0) |
| Disposal             | (0.8)   |
| As at March 31, 2026 | 36.7    |

Capital work-in-progress (CWIP) ageing schedule

| 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           | 36.7                           | -         | -         | -                 | 36.7  |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     |
| Total                          | 36.7                           | -         | -         | -                 | 36.7  |

| 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           | 77.8                           | -         | -         | -                 | 77.8  |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     |
| Total                          | 77.8                           | -         | -         | -                 | 77.8  |

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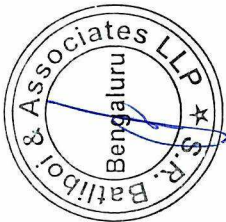
Details of projects overdue to its original plan:

| Particulars                 | As at March 31, 2026 |           |           |                   | Total |
|-----------------------------|----------------------|-----------|-----------|-------------------|-------|
|                             | To be completed in   |           |           |                   |       |
|                             | Less than 1 year     | 1-2 years | 2-3 years | More than 3 years |       |
| Factory, Bengaluru          | 10.7                 | -         | -         | -                 | 10.7  |
| Corporate Office, Bengaluru | 8.0                  | -         | -         | -                 | 8.0   |
| Factory, Adimali            | 0.6                  | -         | -         | -                 | 0.6   |
| Factory, Kothamangalam      | 2.9                  | -         | -         | -                 | 2.9   |
| Factory, Guntur             | 13.4                 | -         | -         | -                 | 13.4  |
| Factory, Rajasthan          | 0.6                  | -         | -         | -                 | 0.6   |
| Fresh Factory, Jigani       | 0.5                  | -         | -         | -                 | 0.5   |
| Total                       | 36.7                 | -         | -         | -                 | 36.7  |

| Particulars                 | As at March 31, 2025 |           |           |                   | Total |
|-----------------------------|----------------------|-----------|-----------|-------------------|-------|
|                             | To be completed in   |           |           |                   |       |
|                             | Less than 1 year     | 1-2 years | 2-3 years | More than 3 years |       |
| Factory, Bengaluru          | 45.1                 | -         | -         | -                 | 45.1  |
| Corporate office, Bengaluru | 1.0                  | -         | -         | -                 | 1.0   |
| Factory, Kollumangalam      | 14.8                 | -         | -         | -                 | 14.8  |
| Factory, Kota               | 4.1                  | -         | -         | -                 | 4.1   |
| Factory, Adimali            | 0.8                  | -         | -         | -                 | 0.8   |
| Factory, Guntur             | 0.1                  | -         | -         | -                 | 0.1   |
| Total                       | 65.9                 | -         | -         | -                 | 65.9  |

As at March 31, 2026 and March 31, 2025 the Company 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<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Opening balance                                       | 394.6                   | 449.6                   |
| Additions                                             | 32.4                    | 35.0                    |
| Depreciation of right-of-use assets (refer note 34)   | (86.8)                  | (82.4)                  |
| Deletions                                             | (4.0)                   | (6.6)                   |
| Adjustment due to modification [refer note (i) below] | 132.9                   | (1.0)                   |
| Closing balance                                       | 469.1                   | 394.6                   |

**4b Lease liabilities**

|                                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Opening balance                                       | 544.0                   | 594.8                   |
| Additions                                             | 22.0                    | 32.7                    |
| Interest expense on lease liabilities (refer note 33) | 57.4                    | 54.4                    |
| Payments                                              | (127.7)                 | (129.0)                 |
| Deletions                                             | (0.5)                   | (7.7)                   |
| Adjustment due to modification [refer note (i) below] | 132.9                   | (1.2)                   |
| Closing balance                                       | 628.1                   | 544.0                   |

**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<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------|-------------------------|-------------------------|
| Non-current | 537.1                   | 452.2                   |
| Current     | 91.0                    | 91.8                    |

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

|                                                                                      | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Gain on termination/modification of right-of-use assets (refer note 28)              | 1.5                                  | 1.4                                  |
| Depreciation expense of right-of-use assets (refer note 34)                          | 86.8                                 | 82.4                                 |
| Interest expense on lease liabilities (refer note 33)                                | 57.4                                 | 54.4                                 |
| Expense relating to short-term leases (included in other expenses and staff welfare) | 151.8                                | 88.1                                 |
| Expense relating to leases of low value assets (included in other expenses)          | 0.1                                  | 0.3                                  |

Also refer note 39(a) for additional disclosure on lease arrangements.

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5 Goodwill and other intangible assets

|                                           | Goodwill<br>[refer note (i)<br>below] | Other intangible assets                               |                         |         |                      |
|-------------------------------------------|---------------------------------------|-------------------------------------------------------|-------------------------|---------|----------------------|
|                                           |                                       | Trademarks<br>and Brands<br>[refer note (i)<br>below] | Distribution<br>Network | Recipes | Computer<br>software |
| <b>Deemed Cost</b>                        |                                       |                                                       |                         |         |                      |
| At April 1, 2024                          | 10,118.6                              | 5,731.1                                               | 368.0                   | 0.5     | 192.6                |
| Additions                                 | -                                     | -                                                     | -                       | -       | 13.7                 |
| Disposals [refer note(i)]                 | (2.5)                                 | -                                                     | -                       | -       | -                    |
| At March 31, 2025                         | 10,116.1                              | 5,731.1                                               | 368.0                   | 0.5     | 206.3                |
| Additions                                 | -                                     | -                                                     | -                       | -       | 9.3                  |
| Disposals [refer note(i)]                 | -                                     | -                                                     | -                       | -       | -                    |
| At March 31, 2026                         | 10,116.1                              | 5,731.1                                               | 368.0                   | 0.5     | 215.6                |
| <b>Amortisation</b>                       |                                       |                                                       |                         |         |                      |
| At April 1, 2024                          | -                                     | 0.9                                                   | 276.0                   | 0.3     | 94.2                 |
| Amortisation for the year (refer note 34) | -                                     | 0.0                                                   | 92.0                    | 0.0     | 32.2                 |
| Disposals                                 | -                                     | -                                                     | -                       | -       | -                    |
| At March 31, 2025                         | -                                     | 0.9                                                   | 368.0                   | 0.3     | 126.4                |
| Amortisation for the year (refer note 34) | -                                     | 0.1                                                   | -                       | 0.0     | 32.2                 |
| Disposals                                 | -                                     | -                                                     | -                       | -       | -                    |
| At March 31, 2026                         | -                                     | 1.0                                                   | 368.0                   | 0.3     | 158.6                |
| <b>Net carrying value as at:</b>          |                                       |                                                       |                         |         |                      |
| At March 31, 2025                         | 10,116.1                              | 5,730.2                                               | -                       | 0.2     | 79.9                 |
| At March 31, 2026                         | 10,116.1                              | 5,730.1                                               | -                       | 0.2     | 57.0                 |

**Note:**

(i) Goodwill primarily comprises Rs. 9,857.3 and Rs. 261.3 arising on acquisition of Eastern Condiments Private Limited ("ECPL" or "Eastern") and Rasoi Magic Foods (India) Private Limited ("Rasoi"), respectively. During the year ended March 31, 2025, the Company charged off goodwill amounting to Rs. 2.5 pertaining to Eastern Food Speciality Formulations Private Limited ("EFSF"), consequent to its striking off with effect from February 25, 2025.

Further, the Group has recognised trademarks and brands aggregating Rs. 5,730.0 on acquisition of ECPL. Trademarks and Brands are not amortised and are considered to have indefinite life considering the history of operations in ECPL and their established brands in the market. Goodwill and trademarks and brands are tested for impairment annually, in accordance with applicable accounting standards. For the purpose of impairment testing, Goodwill and Trademarks and Brands arising on acquisition of ECPL have been allocated to the Eastern cash-generating unit ("Eastern CGU"), while goodwill arising on acquisition of Rasoi has been allocated to the Rasoi CGU.

**Eastern CGU**

The recoverable amount of Eastern CGU has been determined based on a value in use calculation considering the cash flow projections from financial budgets approved by the Management for the financial years ending March 31, 2027 to March 31, 2031 which covers a five-year period. For the purposes of impairment testing, the post-tax discount rate applied to cash flow projections for the period is 12.0% (March 31, 2025: 12.0%) and cash flows beyond the five-year period are extrapolated considering a growth rate of 5.0% (March 31, 2025: 5.0%), which is similar to the long-term average growth rate for the industry.

**Rasoi CGU**

The recoverable amount of the Rasoi CGU has been determined based on a value in use calculation considering the cash flow projections from financial budgets approved by the Management for the financial years ending March 31, 2027 to March 31, 2031 which covers a five-year period. For the purposes of impairment testing, the post-tax discount rate applied to cash flow projections for the period is 23.0% (March 31, 2025: 23.0%) and cash flows beyond the five-year period are extrapolated considering a growth rate of 5.0% (March 31, 2025: 5.0%), which is similar to the long-term average growth rate for the industry.

**Key assumptions used for value in use calculations and sensitivity to changes in assumptions**

The calculation of value in use is most sensitive to the following assumptions:

- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

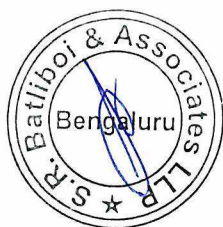
**Discount rates** - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group 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 Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

**Growth rate** - In assessing the impairment of our CGUs, we have applied a growth rate of 5% to extrapolate the cash flows. This rate reflects both the segment's historical performance and our expectations for sustainable future growth in a competitive market. The growth rate is integral to the discounted cash flow models, which inform the recoverable amount of the CGUs against their carrying values.

The Company assesses goodwill for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. During the year ended March 31, 2026, the Company did not identify any triggering events that would require an interim impairment of goodwill.

Based on the above assessment, no impairment has been recognised during the year ended March 31, 2026 (March 31, 2025: Rs. Nil). Further, the Company has also performed sensitivity analysis around the key assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of the aforesaid assets to exceed their recoverable values.

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**6 Investments****6a Non-current investments****Investment in equity instruments****In associate (accounted under equity method):****Unquoted**

|                                                                                                                                                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 4,271 (March 31, 2025: 4,271) equity shares of Rs.10 (March 31, 2025: Rs.10) each fully paid-up in Pot Ful India Private Limited [refer note 38(i)] | 132.4                   | 136.2                   |

---

132.4 136.2
**In joint venture (accounted under equity method):****Unquoted**

|                                                                                                                                                                                                      |        |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| 2,500 (March 31, 2025: 2500) equity shares of UAE Dirhams 1,000 (March 31, 2025: UAE Dirhams 1,000) each fully paid-up in Eastern Condiments Middle East & North Africa FZC, UAE [refer note 38(ii)] | 175.9  | 161.9  |
| Less: Provision for impairment                                                                                                                                                                       | (20.0) | (20.0) |

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155.9 141.9

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288.3 278.1
**In others (at fair value through other comprehensive income):****Unquoted**

|                                                                                                                                                     |       |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| 1,403 (March 31, 2025: 1,403) equity shares of Rs.10 (March 31, 2025: Rs.10) each fully paid-up in Firmroots Private Limited [refer note (i) below] | 3.9   | 3.9   |
| Less: Provision for impairment                                                                                                                      | (3.9) | (3.9) |

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- -

|                                                                                                                                                            |        |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| 37,748 (March 31, 2025: 37,748) equity shares of Rs.10 (March 31, 2025: Rs.10) each fully paid in Clean Max Aurora Private Limited [refer note (ii) below] | 24.6   | 24.6   |
| Less: Provision for impairment                                                                                                                             | (24.6) | (24.6) |

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- -

|                                                                                                                                |     |     |
|--------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| 750 (March 31, 2025: 750) equity shares of Rs. 10 (March 31, 2025: Rs.10) each fully paid up in Vishweshwar Sahakari Bank Ltd. | 0.0 | 0.0 |
|--------------------------------------------------------------------------------------------------------------------------------|-----|-----|

---

0.0 0.0
**6b Current Investments****Investments in Mutual Funds (at fair value through profit or loss account)****Quoted**

|                                                                                             |         |       |
|---------------------------------------------------------------------------------------------|---------|-------|
| Aditya Birla Sun Life Savings Fund<br>1,875,550 units (March 31, 2025: Nil)                 | 1097.2  | -     |
| Aditya Birla Sun Life Liquid Fund<br>2,203,030 units (March 31, 2025: 210,096 units)        | 980.7   | 88.1  |
| ICICI Prudential Liquid Fund<br>237,282 units (March 31, 2025: 77,768 units)                | 96.7    | 29.9  |
| Axis Money Market Fund<br>768,246 units (March 31, 2025: 625,109 units)                     | 1,161.7 | 885.1 |
| Axis Liquid Fund<br>321,774 units (March 31, 2025: 43,463 units)                            | 986.1   | 125.3 |
| Baroda BNP Paribas Liquid Fund<br>116,567 units (March 31, 2025: 9,609 units)               | 370.2   | 28.7  |
| Baroda BNP Paribas Ultra Short Duration Fund<br>21,717 units (March 31, 2025: 27,539 units) | 35.5    | 42.2  |
| Kotak Liquid Fund<br>64,956 units (March 31, 2025: 2,472 units)                             | 361.5   | 13.0  |
| HSBC Liquid Fund<br>24,749 units (March 31, 2025: 59,225 units)                             | 67.9    | 153.1 |
| HSBC Ultra Fund<br>102,271 units (March 31, 2025: Nil)                                      | 146.8   | -     |
| Franklin Templeton Liquid Fund<br>33,977 units (March 31, 2025: 27,942 units)               | 140.7   | 108.9 |

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5,445.0 1,474.3

Aggregate book value and market value of quoted investments

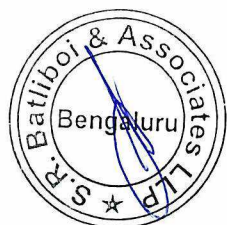
5,445.0 1,474.3

Aggregate book value of unquoted investments

287.3 326.6

Aggregate amount of impairment in value of investments

28.5 48.5



**Note:**

- (i) On October 13, 2017, the Group had acquired 8,065 shares of Firmroots Private Limited (FPL) at fair value of Rs. 4,340 per share which comprise of 43% shareholding. During the year ended March 31, 2020, FPL had converted its Series A CCPS into equity shares, reducing the Group's shareholding to 33% and the Group had also recognised an impairment loss of Rs. 1,513 per share due to performance of FPL. Further, Group sold 6,662 shares of FPL at a fair value of Rs. 2,627 per share, contributing to a loss of Rs. 200 per share in the financial year ended March 31, 2021. The aforesaid impairment loss was set off from the impairment allowance created by the Group during the financial year 2019-20.

Post the sale made by the Group, the balance shareholding was 5.54% which resulted into FPL ceasing to be an associate w.e.f. December 24, 2020. Accordingly, investments in FPL were remeasured at fair value through other comprehensive income in accordance with Ind AS 109. Management has assessed the fair value of the investments in FPL as at March 31, 2026 to be Nil (March 31, 2025: Nil).

- (ii) Pursuant to requirements of Electricity Act, the Group has subscribed for 37,748 equity shares of Rs. 10 each of Clean Max Aurora Private Limited (Clean Max) for a purchase consideration of Rs. 24.6 (Subscription Price) during the year ended March 31, 2025. Further, pursuant to Energy Supply Agreement, the Group has agreed to purchase total solar power to be generated from solar plant having installed capacity i.e., 6.6 MWp. As per the Shareholders' Agreement (SHA) between the Group and Clean Max, the Group has an option to sell back the aforesaid equity shares at fair market value. The Group has irrevocably elected to measure fair value changes in the aforesaid equity instruments through other comprehensive income (FVTOCI). Management has assessed the fair value of investment in Clean Max as at March 31, 2026 to be Nil (March 31, 2025: Nil).

**7 Non-current - loans**

|                                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b>                    |                         |                         |
| Loans to employees                          | 7.0                     | 4.6                     |
|                                             | <b>7.0</b>              | <b>4.6</b>              |
| <b>Sub-classification of loans:</b>         |                         |                         |
| Loan receivables considered good- unsecured | 7.0                     | 4.6                     |
|                                             | <b>7.0</b>              | <b>4.6</b>              |

**8 Other non-current financial assets**

|                                                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b>                               |                         |                         |
| <b>Unsecured - considered good</b>                     |                         |                         |
| Margin money deposits with bank [refer note (i) below] | 0.1                     | 0.1                     |
| Security deposit for lease premises                    | 44.3                    | 44.8                    |
| Other deposits*                                        | 40.7                    | 31.8                    |
|                                                        | <b>85.1</b>             | <b>76.7</b>             |

\*Primarily includes electricity deposits given by the Group

**Note:**

- (i) Margin money deposits represent amounts placed with banks as security against bank guarantees and letters of credit facilities availed by the Group. These deposits are restricted in nature and can be utilized only in accordance with the terms of the respective banking arrangements.

**9 Other non-current assets**

|                                                  | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured - considered good</b>               |                         |                         |
| Capital advances                                 | 0.5                     | 9.1                     |
| Prepaid expenses                                 | 4.4                     | 4.4                     |
| Balances with statutory / government authorities | 72.2                    | 22.3                    |
|                                                  | <b>77.1</b>             | <b>35.8</b>             |

**10 Income tax assets (net)**

|                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| Income tax assets (net of provisions) | 1,248.5                 | 1,148.8                 |
|                                       | <b>1,248.5</b>          | <b>1,148.8</b>          |

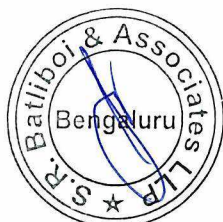
**11 Deferred tax assets / (liability) (net)**

|                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------|-------------------------|-------------------------|
| Deferred tax liability | (1,154.2)               | (1,035.6)               |
|                        | <b>(1,154.2)</b>        | <b>(1,035.6)</b>        |

**Deferred tax relates to the following**

|                                                                                                                                                             | Consolidated balance sheet |                         | Consolidated statement of profit and loss and OCI |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------|---------------------------------------------------|----------------------------------|
|                                                                                                                                                             | As at<br>March 31, 2026    | As at<br>March 31, 2025 | For year ended<br>March 31, 2026                  | For year ended<br>March 31, 2025 |
| Property, plant and equipment & intangibles: difference in written down value as per Companies Act, 2013 and as per Income tax Act, 1961                    | (1,292.9)                  | (1,196.3)               | 96.6                                              | (128.1)                          |
| Employee retirement benefit expenditure and bonus payable charged to the statement of profit and loss account but allowed for tax purposes on payment basis | 92.9                       | 89.2                    | (3.7)                                             | 21.6                             |
| Impact of ROU assets                                                                                                                                        | (118.0)                    | (99.3)                  | 18.7                                              | 13.8                             |
| Impact of lease liabilities                                                                                                                                 | 158.1                      | 136.9                   | (21.2)                                            | (12.8)                           |
| Other timing differences*                                                                                                                                   | 5.7                        | 33.9                    | 28.2                                              | (26.0)                           |
|                                                                                                                                                             | <b>(1,154.2)</b>           | <b>(1,035.6)</b>        | <b>118.6</b>                                      | <b>(131.5)</b>                   |

\* Majorly includes timing differences due to impairment allowance for expected credit loss, provision for litigation and fair value gain on financial instruments.





## Reconciliation of deferred tax assets/(liabilities) (net)

|                                                                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year                              | (1,035.6)               | (904.1)                 |
| Tax income/(expense) during the year recognised in profit or loss | (124.7)                 | (136.4)                 |
| Tax income/(expense) during the year recognised in OCI            | 6.1                     | 4.9                     |
| <b>Balance at the end of the year</b>                             | <b>(1,154.2)</b>        | <b>(1,035.6)</b>        |

## 12 Inventories

|                                                                                   | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>At lower of cost and net realisable value</b>                                  |                         |                         |
| Raw materials                                                                     | 1,417.1                 | 1,592.6                 |
| Packing materials                                                                 | 214.2                   | 210.3                   |
| Work-in-progress                                                                  | 237.8                   | 352.8                   |
| Finished goods [includes goods-in-transit for Rs.30.6 (March 31, 2025: Rs. 40.2)] | 738.7                   | 688.4                   |
| Stock-in-trade                                                                    | 224.4                   | 130.1                   |
| Stores, spares and consumables                                                    | 121.2                   | 113.3                   |
|                                                                                   | <b>2,953.4</b>          | <b>3,087.5</b>          |

As at March 31, 2026, the Group has recognised a provision of Rs. 45.3 (March 31, 2025: Rs. 55.2) towards slow-moving and non-moving inventories.

## 13 Trade receivables

|                                                                    | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Trade receivables include:</b>                                  |                         |                         |
| Receivable from other parties                                      | 1,826.0                 | 1,626.2                 |
|                                                                    | <b>1,826.0</b>          | <b>1,626.2</b>          |
| <b>Break-up for security details:</b>                              |                         |                         |
| Trade receivables considered good - unsecured                      | 1,826.0                 | 1,626.2                 |
| Trade receivables - which have significant increase in credit risk | 11.6                    | 12.5                    |
| Trade receivables - credit impaired                                | 9.9                     | 8.6                     |
|                                                                    | <b>1,847.5</b>          | <b>1,647.3</b>          |
| Less: Allowance for expected credit loss                           | (21.5)                  | (21.1)                  |
|                                                                    | <b>1,826.0</b>          | <b>1,626.2</b>          |

## Trade receivables ageing schedule

| As at March 31, 2026                                                          | 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                                | 1,479.3             | 332.1                                                              | 9.3               | 3.6        | 1.5        | 0.2               | 1,826.0        |
| Undisputed trade receivables - which have significant increase in credit risk | 3.5                 | 3.3                                                                | 4.8               | -          | -          | -                 | 11.6           |
| Undisputed trade receivables - credit impaired                                | -                   | -                                                                  | -                 | 4.3        | 3.3        | 0.8               | 8.4            |
| Disputed trade receivables - considered good                                  | -                   | -                                                                  | -                 | -          | -          | -                 | -              |
| Disputed trade receivables - which have significant increase in credit risk   | -                   | -                                                                  | -                 | -          | -          | -                 | -              |
| Disputed trade receivables - credit impaired                                  | -                   | -                                                                  | -                 | -          | -          | 1.5               | 1.5            |
| <b>Total</b>                                                                  | <b>1,482.8</b>      | <b>335.4</b>                                                       | <b>14.1</b>       | <b>7.9</b> | <b>4.8</b> | <b>2.5</b>        | <b>1,847.5</b> |

| As at March 31, 2025                                                          | 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                                | 1,142.0             | 474.8                                                              | 3.5               | 5.4         | 0.5        | -                 | 1,626.2        |
| Undisputed trade receivables - which have significant increase in credit risk | 2.1                 | 9.2                                                                | 1.2               | -           | -          | -                 | 12.5           |
| Undisputed trade receivables - credit impaired                                | -                   | -                                                                  | -                 | 4.6         | 0.2        | 2.3               | 7.1            |
| Disputed trade receivables - considered good                                  | -                   | -                                                                  | -                 | -           | -          | -                 | -              |
| Disputed trade receivables - which have significant increase in credit risk   | -                   | -                                                                  | -                 | -           | -          | -                 | -              |
| Disputed trade receivables - credit impaired                                  | -                   | -                                                                  | -                 | -           | -          | 1.5               | 1.5            |
| <b>Total</b>                                                                  | <b>1,144.1</b>      | <b>484.0</b>                                                       | <b>4.7</b>        | <b>10.0</b> | <b>0.7</b> | <b>3.8</b>        | <b>1,647.3</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 have terms ranging from 0 to 60 days, except for export sales where credit terms range from 30 to 120 days. The actual credit period may vary based on the terms agreed with individual customers. For terms and condition relating to receivables from related party, refer note 44.



**14 Cash and cash equivalents**

|                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|------------------------|-------------------------|-------------------------|
| Balances with banks:   |                         |                         |
| - On current accounts* | 228.7                   | 812.3                   |
| Cash on hand           | 0.2                     | 0.5                     |
|                        | <b>228.9</b>            | <b>812.8</b>            |

\*Includes Rs 23.8 as at March 31, 2026 (March 31, 2025: Rs 18.0) earmarked towards Corporate Social Responsibility (CSR) activities.

As at March 31, 2026, the Group had undrawn borrowing facilities aggregating Rs. 965.3 (March 31, 2025: Rs. 1,415.6). These facilities represent sanctioned limits available to the Group for meeting its working capital requirements and are subject to compliance with applicable terms and covenants.

**15 Bank balances other than cash and cash equivalents**

|                                                                                         | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Bank deposits (with original maturity of more than 3 months and of less than 12 months) | 0.0                     | 1,094.3                 |
|                                                                                         | <b>0.0</b>              | <b>1,094.3</b>          |

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

|                                                            | As at<br>April 1, 2025 | Cash flows (net) | Non-cash changes          |              | As at<br>March 31, 2026 |
|------------------------------------------------------------|------------------------|------------------|---------------------------|--------------|-------------------------|
|                                                            |                        |                  | Fair Value<br>adjustments | Others*      |                         |
| <b>Investing activities</b>                                |                        |                  |                           |              |                         |
| Right-of-use assets                                        | 394.6                  | -                | -                         | 74.5         | 469.1                   |
| Non-current investments                                    | 278.1                  | -                | -                         | -            | 278.1                   |
| Capital advances                                           | 9.1                    | (4.1)            | -                         | (4.5)        | 0.5                     |
| Current investments                                        | 1,474.3                | 3,767.5          | 123.2                     | 80.0         | 5,445.0                 |
| <b>Total</b>                                               | <b>2,156.1</b>         | <b>3,763.4</b>   | <b>123.2</b>              | <b>150.0</b> | <b>6,192.7</b>          |
| <b>Financing activities</b>                                |                        |                  |                           |              |                         |
| Lease liabilities                                          | 544.0                  | (127.7)          | -                         | 211.8        | 628.1                   |
| Liability on account of forward commitment (refer note 49) | 36.0                   | -                | -                         | -            | 36.0                    |
| <b>Total</b>                                               | <b>580.0</b>           | <b>(127.7)</b>   | <b>-</b>                  | <b>211.8</b> | <b>664.1</b>            |

|                                                                                                               | As at<br>April 1, 2024 | Cash flows (net) | Non-cash changes          |              | As at<br>March 31, 2025 |
|---------------------------------------------------------------------------------------------------------------|------------------------|------------------|---------------------------|--------------|-------------------------|
|                                                                                                               |                        |                  | Fair Value<br>adjustments | Others*      |                         |
| <b>Investing activities</b>                                                                                   |                        |                  |                           |              |                         |
| Right-of-use assets                                                                                           | 449.6                  | -                | -                         | (55.0)       | 394.6                   |
| Non-current investments                                                                                       | 278.9                  | 24.6             | (24.6)                    | (0.8)        | 278.1                   |
| Capital advances                                                                                              | 52.0                   | 0.7              | -                         | (43.6)       | 9.1                     |
| Current investments                                                                                           | 2,971.5                | (1,836.8)        | 39.2                      | 300.4        | 1,474.3                 |
| <b>Total</b>                                                                                                  | <b>3,752.0</b>         | <b>(1,811.5)</b> | <b>14.6</b>               | <b>201.0</b> | <b>2,156.1</b>          |
| <b>Financing activities</b>                                                                                   |                        |                  |                           |              |                         |
| Non-current borrowings (including current maturities of non-current borrowings shown under current borrowing) | 37.7                   | -                | -                         | (37.7)       | -                       |
| Lease liabilities                                                                                             | 594.8                  | (129.0)          | -                         | 78.2         | 544.0                   |
| Liability on account of forward commitment (refer note 49)                                                    | 36.0                   | -                | -                         | -            | 36.0                    |
| <b>Total</b>                                                                                                  | <b>668.5</b>           | <b>(129.0)</b>   | <b>-</b>                  | <b>40.5</b>  | <b>580.0</b>            |

\* Represents additions/modification to right-of-use assets and lease liabilities, profit on sale of current investments (net), advances written off, write back of borrowings.

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**16 Current loans**

|                                     | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b>            |                         |                         |
| Loans to employees                  | 28.6                    | 24.4                    |
|                                     | <b>28.6</b>             | <b>24.4</b>             |
| <b>Sub-classification of loans:</b> |                         |                         |
| Unsecured, considered good          | 28.6                    | 24.4                    |
|                                     | <b>28.6</b>             | <b>24.4</b>             |

**17 Other current financial assets**

|                                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b>                                        |                         |                         |
| <b>Unsecured - considered good</b>                              |                         |                         |
| Deposit with financial institutions                             | 508.5                   | 268.4                   |
| Margin money deposits with banks [refer note (i)]               | 5.0                     | 4.9                     |
| Security deposits for leased premises                           | 20.8                    | 16.5                    |
| Advance to employees                                            | 1.3                     | 1.6                     |
| Insurance claim receivable [refer note (ii)]                    | 0.1                     | 0.0                     |
| Incentive receivable                                            | 214.3                   | 605.7                   |
| Receivables from spices board [refer note (iii)]                | -                       | 35.8                    |
| Other receivables*                                              | 100.0                   | 51.1                    |
| <b>At fair value through profit and loss</b>                    |                         |                         |
| Derivative asset (mark-to-market gains on derivative contracts) | -                       | 15.4                    |
|                                                                 | <b>850.0</b>            | <b>999.4</b>            |

\*Includes mainly receivables from contract manufacturers, receivables from promoters of ECPL towards indemnities and expenses incurred by the Group in connection with its initial public offer (IPO) of equity shares and recoverable from the selling shareholders.

**Notes:**

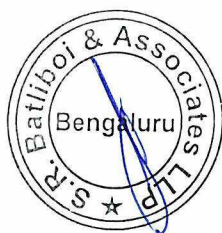
(i) Margin money deposits represent amounts placed with banks as security against bank guarantees and letters of credit facilities availed by the Group. These deposits are restricted in nature and can be utilized only in accordance with the terms of the respective banking arrangements.

(ii) Pursuant to a fire incident on October 14, 2019, certain property, plant and equipment, inventory and other assets of the cold storage facility at the Theni manufacturing plant of ECPL was damaged. The total loss aggregating Rs. 289.6 was lodged with the insurance company. ECPL had recognised a minimum insurance claim receivable of Rs. 224.8, and the loss (to the extent of the insurance receivable) was presented on a net basis in the financial statements. During the year ended March 31, 2023, certain damaged items were disposed of through an auction conducted in the presence of insurance authorities, resulting in proceeds of Rs. 21.5. Accordingly, the insurance claim receivable was reduced to Rs. 203.2. Post merger of ECPL with the Group, the said insurance claim receivable was carried forward in the books of the Group.

During the year ended March 31, 2025, the Group has written off the insurance claim receivable. Further, in accordance with the Share Purchase Agreement entered into at the time of acquisition of ECPL, the promoters of ECPL have compensated the Group to the extent of the insurance claim receivable [refer note 51(i)].

(iii) During the year ended March 31, 2025, the Group had a receivable from the Spices Board of India towards construction of a factory building at Kota, Rajasthan, undertaken on behalf of the Spices Board of India. The said building has been leased to the Group for a period of 15 years commencing from July 2017. As per the terms of the agreement, the construction cost incurred by the Group is reimbursable by the Spices Board of India. Out of the total receivable, Rs. 54.2 had been received in prior years, while the balance amount of Rs. 35.8 remained outstanding as at March 31, 2025, pending final clearance upon inspection. The Group has received the outstanding balance in full during the year ended March 31, 2026.

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## 18 Other current assets

|                                                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------|-------------------------|-------------------------|
| Unsecured, considered good                             |                         |                         |
| Prepaid expenses                                       | 72.6                    | 99.8                    |
| Receivables from LIC [refer note (i) below]            | 6.2                     | 3.7                     |
| Other receivables*                                     | 3.7                     | 2.8                     |
| <b>Balances with statutory/ government authorities</b> |                         |                         |
| Unsecured, considered good                             | 850.0                   | 660.5                   |
| Unsecured, considered doubtful                         | 15.0                    | 15.0                    |
|                                                        | 865.0                   | 675.5                   |
| Less: provision for doubtful balances                  | (15.0)                  | (15.0)                  |
|                                                        | 850.0                   | 660.5                   |
| <b>Advances recoverable in kind**</b>                  |                         |                         |
| Unsecured, considered good                             | 18.6                    | 55.3                    |
| Unsecured, considered doubtful                         | 0.5                     | 1.8                     |
|                                                        | 19.1                    | 57.1                    |
| Less: provision for doubtful advances                  | (0.5)                   | (1.8)                   |
|                                                        | 18.6                    | 55.3                    |
| Export incentive receivables                           | 28.2                    | 53.5                    |
|                                                        | <b>979.3</b>            | <b>875.6</b>            |

\* Includes receivables from contract manufacturers etc.

\*\*Includes advances given to suppliers towards procurement of raw materials.

**Note:**

(i) It represents receivables from Life Insurance Corporation of India (LIC) towards payment made by the Group on the behalf of LIC to employees who have resigned or retired.

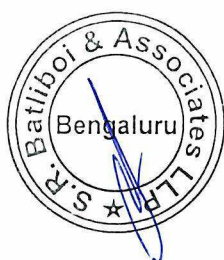
## 19 Assets held for sale

Pursuant to approval of the Board of Directors in the financial year ended March 31, 2025, the Group transferred the operations from the plant located at Theni, Tamil Nadu to other facilities in order to optimise its manufacturing activities. In this regard, the Group has transferred all movable assets to other manufacturing facilities and further decided to sell the immovable assets including land and building. The Management is committed to sell the aforesaid land and building within one year from the balance sheet date and accordingly, the carrying value of such land and building has been classified under asset held for sale as at March 31, 2026 and March 31, 2025.

|                                      | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Group of assets held for sale</b> |                         |                         |
| Land                                 | 163.9                   | 163.9                   |
| Building                             | 126.7                   | 126.7                   |
|                                      | <b>290.6</b>            | <b>290.6</b>            |

There are no liabilities associated with the assets classified as held for sale.

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

## 20 Share capital

### a) Authorised share capital

#### Equity shares

As at the beginning of the year (face value of Rs. 10 each)

Add: Increase during the year (refer note (i) below)

Add: Conversion of ROCPS to equity shares (refer note (ii) below)

Add: Effect of share split\*

As at the end of the year (face value of Rs. 10 each)

As at the end of the year (face value of Re. 1 each)

#### Preference shares

As at the beginning of the year (face value of Rs. 10 each)

Less: Conversion of ROCPS to equity shares (refer note (ii) below)

As at the end of the year (face value of Rs. 10 each)

| As at March 31, 2026 |         | As at March 31, 2025 |        |
|----------------------|---------|----------------------|--------|
| No. of shares        | Amount  | No. of shares        | Amount |
| 8,93,00,000          | 893.0   | 8,70,00,000          | 870.0  |
| -                    | -       | 23,00,000            | 23.0   |
| 2,20,00,000          | 220.0   | -                    | -      |
| 1,00,17,00,000       | -       | -                    | -      |
| -                    | -       | 8,93,00,000          | 893.0  |
| 1,11,30,00,000       | 1,113.0 | -                    | -      |
| 2,20,00,000          | 220.0   | 2,20,00,000          | 220.0  |
| (2,20,00,000)        | (220.0) | -                    | -      |
| -                    | -       | 2,20,00,000          | 220.0  |

#### Note:

(i) During the year ended March 31, 2025, the authorised share capital of the Company was increased pursuant to the merger of Rasoi Magic Foods (India) Private Limited and BAMS Condiments Impex Private Limited with the Group (refer note 49).

(ii) During the year ended March 31, 2026, pursuant to approvals of the Board of Directors and the shareholders in accordance with the provisions of the Companies Act, 2013, the Company has converted its entire outstanding Redeemable Optionally Convertible Preference Shares (ROCPS) having a face value of Rs. 10 into equity shares of face value of Re. 1 each.

### Issued, subscribed and paid-up equity share capital

Equity shares of Rs. 10 each fully paid up

Equity shares of Re. 1 each fully paid up\*

Total issued, subscribed and paid-up equity share capital

| As at March 31, 2026 |        | As at March 31, 2025 |        |
|----------------------|--------|----------------------|--------|
| No. of shares        | Amount | No. of shares        | Amount |
| -                    | -      | 1,36,98,923          | 137.0  |
| 13,69,89,230         | 137.0  | -                    | -      |
| 13,69,89,230         | 137.0  | 1,36,98,923          | 137.0  |

### b) Reconciliation of the number of equity and preference shares outstanding at the beginning and at the end of the year:

#### Equity shares

As at the beginning of the year (face value of Rs. 10 each)

Shares extinguished on splitting\*

Add: Issue of equity shares by sub-division of face value from Rs. 10 to Re. 1\*

Add: ROCPS converted to equity Shares (refer note 49)

As at the end of the year (face value of Rs. 10 each)

As at the end of the year (face value of Re. 1 each)

| As at March 31, 2026 |         | As at March 31, 2025 |        |
|----------------------|---------|----------------------|--------|
| No. of shares        | Amount  | No. of shares        | Amount |
| 1,36,98,923          | 137.0   | 1,33,93,359          | 134.0  |
| (1,36,98,923)        | (137.0) | -                    | -      |
| 13,69,89,230         | 137.0   | -                    | -      |
| -                    | -       | 3,05,564             | 3.0    |
| -                    | -       | 1,36,98,923          | 137.0  |
| 13,69,89,230         | 137.0   | -                    | -      |

#### ROCPS

As at the beginning of the year (face value of Rs. 10 each)

Less: Converted to equity shares (refer note 49)

As at the end of the year (face value of Rs. 10 each)

| As at March 31, 2026 |        | As at March 31, 2025 |        |
|----------------------|--------|----------------------|--------|
| No. of shares        | Amount | No. of shares        | Amount |
| -                    | -      | 3,05,564             | 3.0    |
| -                    | -      | (3,05,564)           | (3.0)  |
| -                    | -      | -                    | -      |

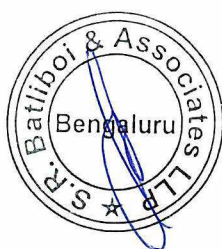
### c) Terms/ rights attached to equity shares

(i) The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

(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.

\* During the year ended March 31, 2026, one equity share of face value of Rs. 10 each was split into 10 equity shares of face value of Re. 1 each fully paid up.

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

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Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

**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:

|                                                                  | As at March 31, 2026 |        | As at March 31, 2025 |        |
|------------------------------------------------------------------|----------------------|--------|----------------------|--------|
|                                                                  | Numbers              | Amount | Numbers              | Amount |
| <b>Equity shares of Rs.10 each fully paid up</b>                 |                      |        |                      |        |
| (i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding | -                    | -      | 1,23,30,209          | 123.3  |
| (ii) Orkla ASA, Norway, the ultimate holding company             | -                    | -      | 60                   | 0.0    |
| <b>Equity shares of Re.1 each fully paid up</b>                  |                      |        |                      |        |
| (i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding | 10,27,41,322         | 102.7  |                      |        |
| (ii) Orkla ASA, Norway, the ultimate holding company             | 600                  | 0.0    |                      |        |

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

|                                                  | As at March 31, 2026 |           | As at March 31, 2025 |           |
|--------------------------------------------------|----------------------|-----------|----------------------|-----------|
|                                                  | Numbers              | % holding | Numbers              | % holding |
| <b>Equity shares of Rs.10 each fully paid up</b> |                      |           |                      |           |
| Orkla Asia Pacific Pte Ltd, Singapore            | -                    | 0%        | 1,23,30,209          | 90.01%    |
| <b>Equity shares of Re.1 each fully paid up</b>  |                      |           |                      |           |
| Orkla Asia Pacific Pte Ltd, Singapore            | 10,27,41,322         | 75.00%    | -                    | 0%        |
| <b>Equity shares of Re.1 each fully paid up</b>  |                      |           |                      |           |
| Nippon Life India Trustee Ltd                    | 83,82,402            | 6.12%     | -                    | 0%        |

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, 2026**

| 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 | 1,23,30,209                               | 9,04,11,113              | 10,27,41,322                        | 75.00%            | 15.01%                   |
| Equity shares of Re. 1 each fully paid up                                |                                           |                          |                                     |                   |                          |
| (ii) Orkla ASA, Norway, the ultimate holding company                     | 60                                        | 540                      | 600                                 | 0.00%             | 0.00%                    |
| <b>Total</b>                                                             | <b>1,23,30,269</b>                        | <b>9,04,11,653</b>       | <b>10,27,41,922</b>                 | <b>75.00%</b>     | <b>-</b>                 |

**As at March 31, 2025**

| 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 | 1,23,30,209                               | -                      | 1,23,30,209                         | 90.01%            | -                        |
| Equity shares of Rs. 10 each fully paid up                               |                                           |                        |                                     |                   |                          |
| (ii) Orkla ASA, Norway, the ultimate holding company                     | 60                                        | -                      | 60                                  | 0.00%             | -                        |
| <b>Total</b>                                                             | <b>1,23,30,269</b>                        | <b>-</b>               | <b>1,23,30,269</b>                  | <b>90.01%</b>     | <b>-</b>                 |

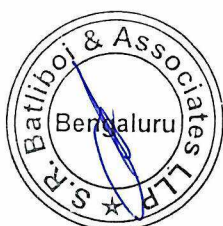
\*\* The change during the year is due to split of one equity share having face Rs. 10 to Re. 1 each fully paid up and sale of 20,560,768 equity shares of face value Re. 1 each fully paid up.

g) The Company has not bought back any shares during the year of five years immediately preceding the reporting date.

h) The Company has not issued any bonus shares during the period of five years immediately preceding the reporting date.

i) Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

During the year ended March 31, 2024, the Company issued 757,526 equity shares and 611,128 ROCPS for consideration other than cash, pursuant to the merger of ECPL with the Company (refer note 49).





Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

## 21 Other equity

|                                                                            | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| Capital redemption reserve                                                 | 33.7                    | 33.7                    |
| Retained earnings                                                          | 10,105.3                | 7,269.0                 |
| Securities premium (net off stamp duty on issue of shares of Rs.17.5)      | 11,095.0                | 11,095.0                |
| Contribution from parent                                                   | 30.0                    | 28.4                    |
| Other comprehensive income (fair value gains/(loss) on equity instruments) | (13.4)                  | (13.4)                  |
| Foreign currency translation reserve                                       | 32.9                    | 13.4                    |
| Capital reserve                                                            | 6,030.6                 | 6,030.6                 |
| Share options outstanding account                                          | 45.7                    | -                       |
| Legal reserve                                                              | 3.5                     | 1.3                     |
| <b>Total other equity</b>                                                  | <b>27,363.3</b>         | <b>24,458.0</b>         |

### Movement of other equity:

#### Capital redemption reserve

|                                   |             |             |
|-----------------------------------|-------------|-------------|
| As at the beginning of the year   | 33.7        | 33.7        |
| Add: Addition during the year     | -           | -           |
| Less: Utilisation during the year | -           | -           |
|                                   | <b>33.7</b> | <b>33.7</b> |

#### Retained earnings

|                                              |                 |                |
|----------------------------------------------|-----------------|----------------|
| As at the beginning of the year              | 7,269.0         | 10,728.2       |
| Add: Profit for the year                     | 2,856.7         | 2,556.9        |
| Less: Transfer to legal reserve              | (2.2)           | (1.3)          |
| Less: Dividend                               | -               | (6,000.1)      |
| Add: Other comprehensive income (net of tax) | (18.2)          | (14.7)         |
|                                              | <b>10,105.4</b> | <b>7,269.0</b> |

#### Securities premium

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| As at the beginning of the year | 11,095.0        | 11,095.0        |
|                                 | <b>11,095.0</b> | <b>11,095.0</b> |

#### Contribution from parent

|                                                       |             |             |
|-------------------------------------------------------|-------------|-------------|
| As at the beginning of the year                       | 28.4        | 25.1        |
| Add: Share based expense for the year (refer note 41) | 1.6         | 3.3         |
|                                                       | <b>30.0</b> | <b>28.4</b> |

#### Other comprehensive income (Fair value gains/(loss) on equity instruments)

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| As at the beginning of the year       | (13.4)        | 11.2          |
| Less: Fair value loss during the year | -             | (24.6)        |
|                                       | <b>(13.4)</b> | <b>(13.4)</b> |

#### Capital reserve

|                                                   |                |                |
|---------------------------------------------------|----------------|----------------|
| As at the beginning of the year                   | 6,030.6        | 6,030.6        |
| Add: Capital reserve arising on account of merger | -              | -              |
|                                                   | <b>6,030.6</b> | <b>6,030.6</b> |

#### Share options outstanding account

|                                                       |             |          |
|-------------------------------------------------------|-------------|----------|
| As at the beginning of the year                       | -           | -        |
| Add: Share based expense for the year (refer note 41) | 45.7        | -        |
|                                                       | <b>45.7</b> | <b>-</b> |

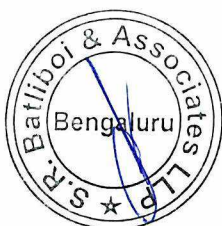
#### Foreign currency translation reserve

|                                              |             |             |
|----------------------------------------------|-------------|-------------|
| As at the beginning of the year              | 13.4        | 9.7         |
| Add: Other comprehensive income (net of tax) | 19.5        | 3.7         |
|                                              | <b>32.9</b> | <b>13.4</b> |

#### Legal reserve

|                                 |            |            |
|---------------------------------|------------|------------|
| As at the beginning of the year | 1.3        | -          |
| Add: Addition during the year   | 2.2        | 1.3        |
|                                 | <b>3.5</b> | <b>1.3</b> |

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

**A. Nature and purpose of reserves:**

- i. **Capital redemption reserve:** The Company has bought back equity shares and as per the provisions of the Companies Act, 2013, the Company has created 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.
- ii. **Retained earnings:** It comprises of the accumulated profits/(loss) of the Group, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.
- iii. **Securities premium:** It represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- iv. **Contribution from parent:** It comprises of the fair value of the share options granted to the employees of the Company by the ultimate holding company, Orkla ASA.
- v. **Share options outstanding account:** This reserve is used to record the fair value of equity-settled share based payment transactions with employees.
- vi. **Other comprehensive income:** It represents the net fair value gain/(loss) recorded on investment in equity instruments carried at fair value through other comprehensive income.
- vii. **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.
- viii. **Capital reserve:** Includes Rs. 6,030.6 reserve created on account of merger of Eastern Condiments Private Limited (ECPL) with the Company. Refer note 49.
- ix. **Legal reserve:** As required by the UAE Federal Decree-Law No. 32 of 2021 relating to commercial companies, 5% of the profits are to be transferred to a legal reserve till the balance in legal reserve reaches 50% of the share capital, as minimum prescribed by the aforesaid law.

**B. Dividend distribution made:**

**Dividends on equity shares declared and paid:**

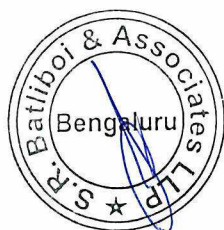
Interim dividend for the year ended on March 31, 2026: Nil (March 31, 2025: Rs. 438.0 per share)

**Dividends on ROCs declared and paid:**

Interim dividend for the year ended on March 31, 2026: Nil (March 31, 2025: Rs. 438.0 per share)

|                                                                                                  | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Dividends on equity shares declared and paid:                                                    |                                      |                                      |
| Interim dividend for the year ended on March 31, 2026: Nil (March 31, 2025: Rs. 438.0 per share) | -                                    | 5,866.3                              |
| Dividends on ROCs declared and paid:                                                             |                                      |                                      |
| Interim dividend for the year ended on March 31, 2026: Nil (March 31, 2025: Rs. 438.0 per share) | -                                    | 133.8                                |
|                                                                                                  | -                                    | 6,000.1                              |

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## 22 Trade payables

|                                                                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| Total outstanding dues of micro and small enterprises                       | 371.9                   | 651.4                   |
| Total outstanding dues of creditors other than micro and small enterprises* | 2,166.0                 | 2,046.9                 |
|                                                                             | <b>2,537.9</b>          | <b>2,698.3</b>          |

## Trade Payable Ageing Schedule

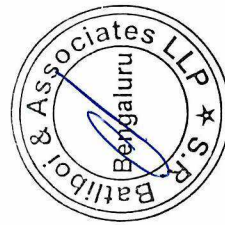
| As at March 31, 2026                                                                   | Unbilled       | Not due        | Outstanding for following periods from due date of payment |            |            |                   | Total          |
|----------------------------------------------------------------------------------------|----------------|----------------|------------------------------------------------------------|------------|------------|-------------------|----------------|
|                                                                                        |                |                | Less than 1 year                                           | 1-2 years  | 2-3 years  | More than 3 years |                |
| Total outstanding dues of micro enterprises and small enterprises                      | 6.4            | 359.4          | 4.5                                                        | 0.3        | 0.1        | 0.1               | 370.8          |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,188.8        | 745.8          | 223.5                                                      | 3.5        | 2.1        | 3.2               | 2,166.9        |
| Disputed dues of micro enterprises and small enterprises                               | -              | -              | -                                                          | -          | -          | -                 | -              |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -              | -              | -                                                          | -          | -          | 0.2               | 0.2            |
| <b>Total</b>                                                                           | <b>1,195.2</b> | <b>1,105.2</b> | <b>228.0</b>                                               | <b>3.8</b> | <b>2.2</b> | <b>3.5</b>        | <b>2,537.9</b> |

| As at March 31, 2025                                                                   | 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                      | 126.8          | 498.2          | 25.9                                                       | 0.1        | 0.0        | 0.1               | 651.1          |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,391.3        | 510.9          | 138.7                                                      | 2.1        | 1.6        | 2.3               | 2,046.9        |
| Disputed dues of micro enterprises and small enterprises                               | -              | -              | -                                                          | -          | -          | -                 | -              |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -              | -              | -                                                          | -          | -          | 0.3               | 0.3            |
| <b>Total</b>                                                                           | <b>1,518.1</b> | <b>1,009.1</b> | <b>164.6</b>                                               | <b>2.2</b> | <b>1.6</b> | <b>2.7</b>        | <b>2,698.3</b> |

\* Includes payables to related parties (refer note 44)

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

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**23a Other non-current financial liabilities****At amortised cost**

Payable to employees

| As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|
|-------------------------|-------------------------|

|       |       |
|-------|-------|
| 106.7 | 140.2 |
|-------|-------|

|              |              |
|--------------|--------------|
| <b>106.7</b> | <b>140.2</b> |
|--------------|--------------|

**23b Other current financial liabilities****At amortised cost**

Payable to employees

Payable for purchase of capital goods\*

Deposits from suppliers and others

Derivative liability (mark-to-market losses on derivative contracts)

Refund liabilities (refer note 27(d))

Payable to promoters of ECPL [refer note (i) below]

Liability on account of supplier finance arrangement [refer note (ii) below]

Other payables\*\*

|       |       |
|-------|-------|
| 305.7 | 304.6 |
|-------|-------|

|     |      |
|-----|------|
| 5.5 | 14.3 |
|-----|------|

|     |     |
|-----|-----|
| 7.7 | 8.7 |
|-----|-----|

|       |      |
|-------|------|
| 107.1 | 89.6 |
|-------|------|

|       |       |
|-------|-------|
| 257.5 | 257.5 |
|-------|-------|

|       |       |
|-------|-------|
| 668.6 | 951.8 |
|-------|-------|

|      |   |
|------|---|
| 18.2 | - |
|------|---|

**At fair value through profit and loss**

Liability on account of forward commitment [refer note 49]

Derivative liability (mark-to-market losses on derivative contracts)

|      |      |
|------|------|
| 36.0 | 36.0 |
|------|------|

|      |   |
|------|---|
| 40.6 | - |
|------|---|

|                |                |
|----------------|----------------|
| <b>1,446.9</b> | <b>1,662.5</b> |
|----------------|----------------|

\*Includes outstanding dues to micro &amp; small enterprises of Rs.2.3 (March 31, 2025: Rs.7.0)

\*\*Includes remuneration payable to independent directors and non-executive directors (refer note 44)

**Note**

(i) At the time of acquisition of ECPL in March 2021, the Company adjusted the purchase consideration for certain existing and potential litigations/claims, as considered appropriate.

In accordance with the terms of the Share Purchase Agreement (SPA), the Company is obligated to refund such adjusted amounts to the promoters of ECPL in the event of favourable outcomes in respect of these litigations within the agreed timeframe.

During the year ended March 31, 2025, the Company reassessed the status of the open tax litigation matters and based on an evaluation of the merits of the cases, has recognised a provision of Rs. 235.0 as payable to the promoters of ECPL. The provision continues to be carried as at March 31, 2026.

(ii) The Company has established a supplier finance arrangement that is given to certain suppliers of the Company. Under this arrangement, banks/financial institutions make payments directly to suppliers prior to their contractual due date of invoices for goods or services procured by the Company. The Company is obligated to pay the banks for such settled invoices in accordance with the original payment terms agreed with the suppliers, which generally range from 90 to 180 days from the invoice date. The arrangement does not result in any change to the pricing of goods or services procured by the Company. The payment terms with suppliers have not been renegotiated or extended in connection with this arrangement.

**24 Other current liabilities**

Statutory dues payable \*

Payable towards CSR expenditure

Contract liabilities [refer note 27(c)]

| As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|
|-------------------------|-------------------------|

|      |       |
|------|-------|
| 70.2 | 654.9 |
|------|-------|

|      |      |
|------|------|
| 45.5 | 58.2 |
|------|------|

|      |      |
|------|------|
| 58.7 | 45.9 |
|------|------|

|              |              |
|--------------|--------------|
| <b>174.4</b> | <b>759.0</b> |
|--------------|--------------|

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

**25 Current provisions****Employee benefit obligation:**

Provision for gratuity [refer note: 37(b)]

Provision for compensated absences

**Others**

Other provisions [refer note 40(i)]

**Total**

| As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|
|-------------------------|-------------------------|

|       |      |
|-------|------|
| 237.5 | 58.0 |
|-------|------|

|      |      |
|------|------|
| 87.3 | 76.0 |
|------|------|

|       |       |
|-------|-------|
| 142.7 | 142.7 |
|-------|-------|

|              |              |
|--------------|--------------|
| <b>467.5</b> | <b>276.7</b> |
|--------------|--------------|

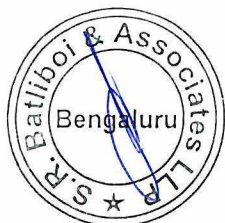
**26 Current tax liabilities (net)**

Income tax liabilities (net of advance tax)

| As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|
|-------------------------|-------------------------|

|     |     |
|-----|-----|
| 3.6 | 1.7 |
|-----|-----|

|            |            |
|------------|------------|
| <b>3.6</b> | <b>1.7</b> |
|------------|------------|





Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

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Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

**27 Revenue from operations**

|                                                | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Finished goods                                 | 21,172.2                             | 21,030.0                             |
| Stock-in-trade                                 | 3,756.7                              | 2,553.2                              |
| <b>Sale of products (A)</b>                    | <b>24,928.9</b>                      | <b>23,583.2</b>                      |
| <b>Other operating revenue:</b>                |                                      |                                      |
| Scrap sales                                    | 57.2                                 | 61.7                                 |
| Export incentives                              | 59.9                                 | 55.8                                 |
| Sale of energy from windmills                  | 18.6                                 | 13.8                                 |
| Government grant (production linked incentive) | 14.5                                 | 205.8                                |
| Others*                                        | 12.3                                 | 26.8                                 |
| <b>Other operating revenue (B)</b>             | <b>162.5</b>                         | <b>363.9</b>                         |
| <b>Total revenue from operations (A+B)</b>     | <b>25,091.4</b>                      | <b>23,947.1</b>                      |

\* It mainly includes commission income and collection fees for food festival

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

|                                                                     | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from customers within India                                 | 19,701.8                             | 18,721.5                             |
| Revenue from customers outside India                                | 5,227.1                              | 4,861.7                              |
| <b>Revenue as per the consolidated statement of profit and loss</b> | <b>24,928.9</b>                      | <b>23,583.2</b>                      |

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

|                                      | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Goods transferred at a point in time | 24,928.9                             | 23,583.2                             |
| Goods transferred over time          | -                                    | -                                    |
|                                      | <b>24,928.9</b>                      | <b>23,583.2</b>                      |

\*The amount of Rs. 162.5 (March 31, 2025: Rs. 363.9) relating to other operating revenue has not been considered in the above revenue disclosure.

**(c) Contract balances**

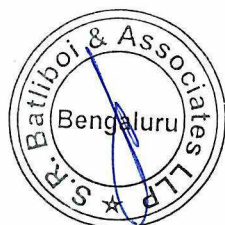
|                                                               | As at<br>March 31, 2026 | As at<br>March 31, 2026 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Contract liabilities - Advance from customers (refer note 24) | 58.7                    | 45.9                    |

Advances from customers represent amounts received by the Group from customers prior to the delivery of goods and are recorded as liabilities in these financial statements until the goods are delivered. During the year ended March 31, 2026, the Group recognised revenue of Rs. 45.9 arising from advance from customers as at March 31, 2025. During the year ended March 31, 2025, the Group recognised revenue of Rs. 46.7 arising from advance from customers as at March 31, 2024.

**(d) Refund liabilities :**

|                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------|-------------------------|-------------------------|
| Refund liabilities [refer note 23(b)] | 107.1                   | 89.6                    |

Refund liabilities represent the Group's obligation to refund consideration received from customers in respect of expected returns of goods. Such liabilities are measured at the value of consideration expected to be refunded, based on historical return patterns and customer arrangements. Refund liabilities are recognised in the financial statements when it is probable that a refund will be made and the amount can be reliably estimated. Subsequent changes in the measurement of refund liabilities are recognised in the period in which such changes become known, with a corresponding adjustment to revenue.



Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

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Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

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

|                                                              | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Revenue as per contracted price                              | 27,546.9                             | 25,711.7                             |
| Less:                                                        |                                      |                                      |
| Sales return                                                 | (416.2)                              | (275.1)                              |
| Discounts and volume rebates                                 | (2,201.8)                            | (1,853.4)                            |
| Revenue as per the consolidated statement of profit and loss | <u>24,928.9</u>                      | <u>23,583.2</u>                      |

\*The amount of Rs. 162.5 (March 31, 2025: Rs. 363.9) relating to other operating revenue has not been considered in the above revenue disclosure.

Performance obligation

Sale of goods

The performance obligation in the case of domestic sales is satisfied upon delivery of the goods to the customers and in the case of export sales, the performance obligation is satisfied upon shipping of the goods on board.

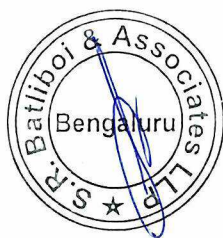
28 Other income

|                                                                                     | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|-------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest income                                                                     |                                      |                                      |
| Loan to associates                                                                  | -                                    | 3.9                                  |
| Bank deposit                                                                        | 48.4                                 | 135.8                                |
| Others*                                                                             | 1.2                                  | 0.3                                  |
| Unwinding of security deposit                                                       | 3.0                                  | 3.2                                  |
| Gain on termination/modification of right-of-use assets (refer note 4)              | 1.5                                  | 1.4                                  |
| Gain on sale of Property, plant and equipment                                       | 2.8                                  | 2.1                                  |
| Profit on sale of investments in units of mutual funds                              | 80.0                                 | 300.4                                |
| Liabilities no longer required written back                                         | 9.9                                  | 50.8                                 |
| Fair value gain on financial instruments at fair value through profit or loss (net) | 123.2                                | 55.7                                 |
| Gain on foreign exchange fluctuations                                               | 137.7                                | 42.8                                 |
| Other non-operating income**                                                        | 6.6                                  | 8.9                                  |
|                                                                                     | <u>414.3</u>                         | <u>605.3</u>                         |

\* Majorly includes interest on factory electricity deposit and interest on income tax refund.

\*\* Majorly includes distributors penalty discount and reimbursement of export charges, recovery from vendors, customs duty drawback.

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

**29 Cost of raw material and packing materials consumed**

|                                                        | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>a) Raw materials</b>                                |                                      |                                      |
| Inventory at the beginning of the year (refer note 12) | 1,592.6                              | 1,523.5                              |
| Add: Purchases (net)                                   | 11,045.8                             | 10,735.9                             |
|                                                        | <b>12,638.4</b>                      | <b>12,259.4</b>                      |
| Less: Inventory at the end of the year (refer note 12) | 1,417.1                              | 1,592.6                              |
|                                                        | <b>11,221.3</b>                      | <b>10,666.8</b>                      |
| <b>b) Packing materials</b>                            |                                      |                                      |
| Inventory at the beginning of the year (refer note 12) | 210.3                                | 160.3                                |
| Add: Purchases (net)                                   | (126.4)                              | 1,124.5                              |
|                                                        | <b>83.9</b>                          | <b>1,284.8</b>                       |
| Less: Inventory at the end of the year (refer note 12) | 214.2                                | 210.3                                |
|                                                        | <b>(130.3)</b>                       | <b>1,074.5</b>                       |
| <b>Total (a+b)</b>                                     | <b>11,091.0</b>                      | <b>11,741.3</b>                      |

**30 Purchase of stock-in-trade**

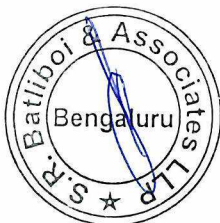
|                            | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|----------------------------|--------------------------------------|--------------------------------------|
| Purchase of stock-in-trade | 2,839.9                              | 1,439.7                              |
|                            | <b>2,839.9</b>                       | <b>1,439.7</b>                       |

**31 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

|                                                        | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Stock-in-trade</b>                                  |                                      |                                      |
| Opening inventory (refer note 12)                      | 130.1                                | 83.9                                 |
| Closing inventory (refer note 12)                      | 224.4                                | 130.1                                |
| <b>Decrease/ (increase) in inventories</b>             | <b>(94.3)</b>                        | <b>(46.2)</b>                        |
| <b>Work in progress</b>                                |                                      |                                      |
| Opening inventory (refer note 12)                      | 352.8                                | 405.6                                |
| Closing inventory (refer note 12)                      | 237.8                                | 352.8                                |
| <b>Decrease/ (increase) in inventories</b>             | <b>115.0</b>                         | <b>52.8</b>                          |
| <b>Finished goods</b>                                  |                                      |                                      |
| Opening inventory (refer note 12)                      | 688.4                                | 709.2                                |
| Closing inventory (refer note 12)                      | 738.7                                | 688.4                                |
| <b>Decrease/ (increase) in inventories</b>             | <b>(50.3)</b>                        | <b>20.8</b>                          |
| <b>Net decrease/ (increase) in inventories (a+b+c)</b> | <b>(29.6)</b>                        | <b>27.4</b>                          |

**32 Employee benefits expense**

|                                                              | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                                    | 2,089.3                              | 2,109.0                              |
| Contribution to provident and other funds [refer note 37(a)] | 111.7                                | 113.7                                |
| Gratuity expense [refer note 37(b)]                          | 48.0                                 | 40.5                                 |
| Staff welfare expenses                                       | 213.2                                | 195.4                                |
| Share based payment (refer note 41)                          | 47.3                                 | 3.3                                  |
|                                                              | <b>2,509.5</b>                       | <b>2,461.9</b>                       |



Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

### 33 Finance costs

|                                                            | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest expense on bank overdraft                         | 0.4                                  | -                                    |
| Interest expense on lease liabilities [refer note 4(b)]    | 57.4                                 | 54.4                                 |
| Interest expense on payment to micro and small enterprises | -                                    | 1.2                                  |
|                                                            | <b>57.8</b>                          | <b>55.6</b>                          |
| Bank charges [refer note (i) below]                        | 9.3                                  | 9.3                                  |
| Interest on income tax                                     | -                                    | 0.6                                  |
|                                                            | <b>9.3</b>                           | <b>9.9</b>                           |
|                                                            | <b>67.1</b>                          | <b>65.5</b>                          |

#### Note:

(i) Bank charges primarily consist of letter of credit charges.

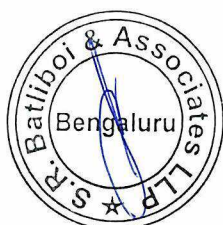
### 34 Depreciation and amortisation expense

|                                                              | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (refer note 3) | 422.3                                | 410.7                                |
| Amortisation of intangible assets (refer note 5)             | 32.3                                 | 124.2                                |
| Depreciation of right-of-use assets [refer note 4(a)]        | 86.8                                 | 82.4                                 |
|                                                              | <b>541.4</b>                         | <b>617.3</b>                         |

### 35 Other expenses

|                                                                               | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Consumption of stores and spares                                              | 64.8                                 | 65.2                                 |
| Power and fuel                                                                | 223.9                                | 249.3                                |
| Processing and water charges                                                  | 17.2                                 | 29.4                                 |
| Repairs and maintenance                                                       |                                      |                                      |
| Plant and machinery                                                           | 71.9                                 | 68.4                                 |
| Buildings                                                                     | 10.8                                 | 11.4                                 |
| Others                                                                        | 325.4                                | 337.7                                |
| Rent                                                                          | 113.5                                | 83.6                                 |
| Rates and taxes                                                               | 36.2                                 | 82.4                                 |
| Insurance                                                                     | 44.8                                 | 48.6                                 |
| Communication costs                                                           | 11.2                                 | 10.4                                 |
| Travelling and conveyance                                                     | 183.4                                | 190.8                                |
| Legal and professional fees                                                   | 283.6                                | 234.4                                |
| Payments to auditors [refer note (i) below]                                   | 47.4                                 | 38.7                                 |
| Advertising and sales promotion                                               | 1,342.8                              | 1,396.1                              |
| Freight and forwarding charges                                                | 586.0                                | 527.5                                |
| Vehicle fuel expenses                                                         | 48.5                                 | 52.3                                 |
| Impairment loss/ (reversal of impairment loss) on trade receivables           | 0.4                                  | (49.6)                               |
| CSR expenses                                                                  | 59.8                                 | 48.1                                 |
| Printing and stationery                                                       | 4.6                                  | 5.7                                  |
| Fair value loss on financial instruments at fair value through profit or loss | 56.0                                 | -                                    |
| Advance written off                                                           | 4.5                                  | 43.6                                 |
| Bad debts written off                                                         | 8.6                                  | 18.1                                 |
| Manpower supply                                                               | 723.2                                | 569.3                                |
| Recruitment expenses                                                          | 22.2                                 | 21.4                                 |
| Security charges                                                              | 32.1                                 | 32.2                                 |
| Miscellaneous expenses *                                                      | 168.6                                | 193.4                                |
|                                                                               | <b>4,491.4</b>                       | <b>4,308.4</b>                       |

\* Includes loss of Rs 2.5 recognised during the year ended March 31, 2025 on liquidation of subsidiary EFSF





Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

**Note (i): Payment to auditors:**

**As auditor:**

|           |      |      |
|-----------|------|------|
| Audit fee | 19.6 | 21.0 |
|-----------|------|------|

**In other capacity:**

|                                                                                    |      |      |
|------------------------------------------------------------------------------------|------|------|
| Other services (Limited review, certification fees and other IPO related services) | 74.0 | 16.9 |
|------------------------------------------------------------------------------------|------|------|

|                           |     |     |
|---------------------------|-----|-----|
| Reimbursement of expenses | 1.8 | 0.8 |
|---------------------------|-----|-----|

|             |        |   |
|-------------|--------|---|
| Adjustment* | (48.0) | - |
|-------------|--------|---|

|  |             |             |
|--|-------------|-------------|
|  | <b>47.4</b> | <b>38.7</b> |
|--|-------------|-------------|

\* Related to IPO expenses recoverable from selling shareholders.

**36 Income tax expense**

|  | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

|                           |       |       |
|---------------------------|-------|-------|
| Current income tax charge | 842.7 | 870.6 |
|---------------------------|-------|-------|

|                                       |   |        |
|---------------------------------------|---|--------|
| Tax expense relating to earlier years | - | (13.4) |
|---------------------------------------|---|--------|

|              |       |       |
|--------------|-------|-------|
| Deferred tax | 124.7 | 136.4 |
|--------------|-------|-------|

|              |              |              |
|--------------|--------------|--------------|
| <b>Total</b> | <b>967.4</b> | <b>993.6</b> |
|--------------|--------------|--------------|

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

|                                                |       |       |
|------------------------------------------------|-------|-------|
| Re-measurement losses on defined benefit plans | (6.1) | (4.9) |
|------------------------------------------------|-------|-------|

|              |              |              |
|--------------|--------------|--------------|
| <b>Total</b> | <b>(6.1)</b> | <b>(4.9)</b> |
|--------------|--------------|--------------|

**Reconciliation of tax (income)/ expense and the accounting profit/ (loss)**

|                                                    |                |                |
|----------------------------------------------------|----------------|----------------|
| <b>Accounting profit/ (loss) before income tax</b> | <b>3,824.2</b> | <b>3,550.5</b> |
|----------------------------------------------------|----------------|----------------|

|                                                                                                |       |       |
|------------------------------------------------------------------------------------------------|-------|-------|
| Tax expense/(credit) at India's statutory income tax rate of 25.168% (March 31, 2025: 25.168%) | 962.5 | 893.8 |
|------------------------------------------------------------------------------------------------|-------|-------|

**Tax effect of:**

|                                          |      |       |
|------------------------------------------|------|-------|
| Non-deductible expenses for tax purposes | 15.9 | 108.4 |
|------------------------------------------|------|-------|

|                                              |       |   |
|----------------------------------------------|-------|---|
| Difference in tax rate of subsidiary company | (8.4) | - |
|----------------------------------------------|-------|---|

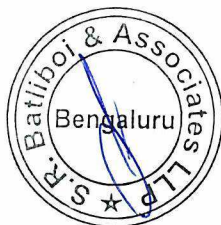
|                                             |   |        |
|---------------------------------------------|---|--------|
| Adjustment of tax relating to earlier years | - | (13.4) |
|---------------------------------------------|---|--------|

|         |       |     |
|---------|-------|-----|
| Others* | (2.6) | 5.0 |
|---------|-------|-----|

|                                        |              |              |
|----------------------------------------|--------------|--------------|
| <b>Income tax expense for the year</b> | <b>967.4</b> | <b>993.8</b> |
|----------------------------------------|--------------|--------------|

\* Majorly pertains to adjustment arising on account of changes in tax rates for capital gains for the F.Y. 2025-26 and tax on income under section 92CE of Income Tax Act, 1961 for the F.Y. 2024-25.

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**37 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 fund, the Company 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 fund and other funds during the year aggregated to Rs. 111.7 (March 31, 2025: Rs. 113.7).

**Amount recognised as an expense and included in Note - 32 as "Contribution to provident and other funds"**

|                                                | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Contribution to government provident fund      | 105.8                                | 104.7                                |
| Contribution to Employee State Insurance (ESI) | 5.9                                  | 8.2                                  |
| Contribution to other funds                    | 0.0                                  | 0.8                                  |
| <b>Total</b>                                   | <b>111.7</b>                         | <b>113.7</b>                         |

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

The Company 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 qualified wages 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<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------|-------------------------|-------------------------|
| Present value of defined benefit obligation | (639.0)                 | (463.3)                 |
| Fair value of plan assets                   | 401.5                   | 405.3                   |
|                                             | <b>(237.5)</b>          | <b>(58.0)</b>           |

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

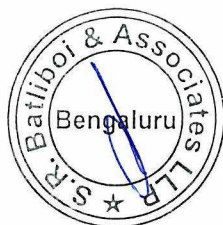
|                                                                   | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation                                | 463.3                                | 451.7                                |
| Current service cost                                              | 40.8                                 | 37.1                                 |
| Interest expense                                                  | 33.8                                 | 32.3                                 |
| Benefits paid                                                     | (44.7)                               | (58.4)                               |
| Actuarial (gain)/ losses recognised in other comprehensive income |                                      |                                      |
| - changes in financial assumptions                                | (15.2)                               | 11.5                                 |
| - experience adjustments                                          | 17.0                                 | (14.0)                               |
| Past service cost                                                 | 144.0                                | 3.1                                  |
| <b>Closing defined benefit obligation</b>                         | <b>639.0</b>                         | <b>463.3</b>                         |

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

|                                                                            |              |              |
|----------------------------------------------------------------------------|--------------|--------------|
| Balance at the beginning of the year                                       | 405.3        | 448.3        |
| Employer's contribution                                                    | 36.8         | 5.5          |
| Benefits paid                                                              | (44.7)       | (58.4)       |
| Interest income                                                            | 26.6         | 32.0         |
| Return on plan assets, excluding amount recognised in net interest expense | (22.5)       | (22.1)       |
| <b>Balance at the end of the year</b>                                      | <b>401.5</b> | <b>405.3</b> |

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

|                      | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|----------------------|--------------------------------------|--------------------------------------|
| Current service cost | 40.8                                 | 37.1                                 |
| Past service cost    | 144.0                                | 3.1                                  |
| Interest cost (net)  | 7.2                                  | 0.3                                  |
|                      | <b>192.0</b>                         | <b>40.5</b>                          |





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

|                                                                            |  |
|----------------------------------------------------------------------------|--|
| Actuarial loss/(gain) on defined benefit obligation                        |  |
| - changes in financial assumptions                                         |  |
| - experience adjustments                                                   |  |
| Return on plan assets, excluding amount recognised in net interest expense |  |

| For the year ended | For the year ended |
|--------------------|--------------------|
| (15.2)             | 11.5               |
| 17.0               | (14.0)             |
| 22.5               | 22.1               |
| <b>24.3</b>        | <b>19.6</b>        |

**C. Plan assets**

Investments with insurer Life Insurance Corporation of India (LIC)

| As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|
| 100%                    | 100%                    |

The Company expects to contribute Rs. 264.6 (March 31, 2025: Rs 97.6) to gratuity fund in the ensuing year.

**D. (i) Actuarial assumptions**

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

|                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------|-------------------------|-------------------------|
| Discount rate                                   | 7.10%                   | 6.70% - 6.80%           |
| Salary escalation rate                          | 9.00%                   | 9.00%                   |
| Attrition (based on completed years of service) |                         |                         |
| Upto 4 years                                    | 15%                     | 15.00%                  |
| Above 4 years                                   | 8.00% - 9.00%           | 8.00% - 9.00%           |
| Attrition (based on age)                        |                         |                         |
| Upto 45 years                                   | NA                      | 5%                      |
| Above 45 years                                  | NA                      | 5%                      |
| Retirement age                                  | 58-60 years             | 58-60 years             |

As at March 31, 2026, the weighted average duration of the defined benefit obligation was 7 years (March 31, 2025: 7 to 10 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, 2026 |          | March 31, 2025 |          |
|----------------------------------------|----------------|----------|----------------|----------|
|                                        | Increase       | Decrease | Increase       | Decrease |
| Discount rate (+1/-1% movement)        |                |          |                |          |
| Increase/(Decrease) in DBO             | (40.1)         | 45.0     | (31.4)         | 35.4     |
| Future salary growth (+1/-1% movement) |                |          |                |          |
| Increase/(Decrease) in salary          | 35.9           | (35.7)   | 34.3           | (31.0)   |
| Attrition rate (+50/-50% movement)     |                |          |                |          |
| Increase/(Decrease) in attrition rate  | (13.8)         | 18.8     | (16.3)         | 24.1     |

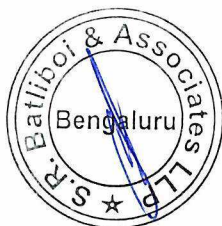
The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

**(iii) Maturity profile of defined benefit obligation**

Expected cash flows over the next (valued on undiscounted basis):

|                                |  |
|--------------------------------|--|
| 1 year                         |  |
| 2 to 5 years                   |  |
| Beyond 5 years                 |  |
| <b>Total expected payments</b> |  |

| As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|
| 81.4                    | 54.1                    |
| 263.7                   | 189.1                   |
| 765.4                   | 588.2                   |
| <b>1,110.5</b>          | <b>831.4</b>            |



**E. Risk exposure:**

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

**Interest rate risk:**

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity risk:**

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary escalation risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic risk:**

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory risk:**

Gratuity benefit is paid in accordance with the requirements of Chapter V (Gratuity) of the Code on Social Security, 2020 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. increase in the maximum limit on gratuity of Rs. 20,00,000)

**Asset liability mismatching or market risk:**

The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

**Investment risk:**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**c. Long Term Incentives (LTI) Scheme**

During the year ended March 31, 2025, the Group introduced a LTI scheme for CXO-level executives and management-level employees. The scheme covers a three-year performance period from FY 2024 to FY 2026.

Under the scheme, eligible participants are entitled to receive incentives based on the achievement of specified performance targets.

The Group recognizes the cost of the LTI scheme over the vesting period based on the best estimate of the expected payout, with remeasurements made at each reporting date to reflect changes in estimates and actual performance outcomes.

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

**Scheme 1 - CXO level executives****(i) Reconciliation of the benefits**

|                      | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|----------------------|--------------------------------------|--------------------------------------|
| Opening balance      | 49.6                                 | -                                    |
| Expense for the year | (13.8)                               | -                                    |
| Benefits paid        | -                                    | 49.6                                 |
| Closing balance      | 35.8                                 | 49.6                                 |

**(ii) Actuarial assumptions**

The principal assumptions used in determining benefit for the scheme are shown below:

|                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------|-------------------------|-------------------------|
| Discount rate  | 6.80%                   | 6.50%                   |
| Attrition rate | 0.00%                   | 12.50%                  |
| Retirement age | 60 years                | 60 years                |
| Mortality rate | 100% of IALM<br>2012-14 | 100% of IALM<br>2012-14 |

As at March 31, 2026, the weighted average duration of the benefit is 1.16 years (March 31, 2025: 2.16 years)

**(iii) 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, 2026 |          | March 31, 2025 |          |
|-------------------------------------------------------------------|----------------|----------|----------------|----------|
|                                                                   | Increase       | Decrease | Increase       | Decrease |
| Discount rate (+1/-1% movement)<br>Increase/(decrease) in DBO     | (0.6)          | 0.2      | (1.3)          | 0.8      |
| Attrition rate (-50%/+50% movement)<br>Increase/(decrease) in DBO | -              | -        | (5.8)          | 6.6      |
| Mortality rate (+10/-10% movement)<br>Increase/(decrease) in DBO  | (0.0)          | 0.0      | (0.1)          | 0.1      |

The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.



## (iv) Maturity profile of benefit

## Expected cash flows over the next (valued on undiscounted basis):

1 year

2 to 5 years

Total expected payments

|                         | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|-------------------------|
| 1 year                  | -                       | -                       |
| 2 to 5 years            | 38.6                    | 56.9                    |
| Total expected payments | 38.6                    | 56.9                    |

## Scheme 2 - Management employees

## (i) Reconciliation of the benefits

Opening balance

Expense for the year

Benefits paid

Closing balance

|                      | For the year<br>ended | For the year<br>ended |
|----------------------|-----------------------|-----------------------|
| Opening balance      | 38.3                  | -                     |
| Expense for the year | (26.6)                | 38.3                  |
| Benefits paid        | -                     | -                     |
| Closing balance      | 11.7                  | 38.3                  |

## (ii) Actuarial assumptions

The principal assumptions used in determining benefit for the plan are shown below:

Discount rate

Attrition rate

Retirement age

Mortality rate

|                | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|----------------|-------------------------|-------------------------|
| Discount rate  | 6.80%                   | 6.50%                   |
| Attrition rate | 8.70%                   | 8.70%                   |
| Retirement age | 60 years                | 60 years                |
| Mortality rate | 100% of IALM<br>2012-14 | 100% of IALM<br>2012-14 |

As at March 31, 2026, the weighted average duration of the benefit is 1.16 years (March 31, 2025: 2.16 years)

## (iii) 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 [re: the amount shown below:

|                                                                   | March 31, 2026 |          | March 31, 2025 |          |
|-------------------------------------------------------------------|----------------|----------|----------------|----------|
|                                                                   | Increase       | Decrease | Increase       | Decrease |
| Discount rate (+1/-1% movement)<br>Increase/(decrease) in DBO     | (0.2)          | 0.1      | (1.0)          | 0.6      |
| Attrition rate (+50%/-50% movement)<br>Increase/(decrease) in DBO | (0.6)          | 0.6      | (3.4)          | 3.7      |
| Mortality rate (+10/-10% movement)<br>Increase/(decrease) in DBO  | (0.0)          | 0.0      | (0.0)          | 0.0      |

The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

## (iv) Maturity profile of benefit

## Expected cash flows over the next (valued on undiscounted basis):

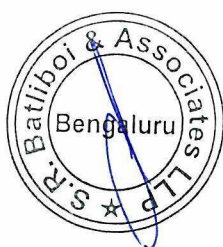
1 year

2 to 5 years

Total expected payments

|                         | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------|-------------------------|-------------------------|
| 1 year                  | -                       | -                       |
| 2 to 5 years            | 12.7                    | 43.9                    |
| Total expected payments | 12.7                    | 43.9                    |

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**38 Investment in associate and joint venture****i) Pot Ful India Private Limited (Pot Ful) - Associate**

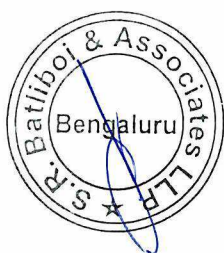
On December 1, 2018, the Company acquired 1,112 equity shares of Pot Ful, representing a 10% shareholding as at April 1, 2019. During the year ended March 31, 2020, the Company further acquired 252 equity shares from the promoters, increasing its shareholding to 26.5%, pursuant to which Pot Ful became an associate of the Company with effect from July 15, 2019. During the years ended March 31, 2023 and March 31, 2024, the Company subscribed to an additional 218 equity shares and 539 equity shares, respectively, resulting in an increase in its shareholding to 30.47%. During the year ended March 31, 2025, Pot Ful issued 280 equity shares to other shareholders, leading to a dilution of the Company's shareholding to 29.87%. The Company's investment in Pot Ful 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<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Non-current sssets                                        | 88.2                    | 110.0                   |
| Current assets                                            | 35.1                    | 40.2                    |
| Non-current liabilities                                   | (43.1)                  | (44.7)                  |
| Current liabilities                                       | (127.7)                 | (140.1)                 |
| <b>Equity</b>                                             | <b>(47.5)</b>           | <b>(34.6)</b>           |
| Group's share in equity - 29.87% (March 31, 2025: 29.87%) | (14.2)                  | (10.3)                  |
| Goodwill                                                  | 146.6                   | 146.5                   |
| Group's carrying amount of the investment                 | <b>132.4</b>            | <b>136.2</b>            |

| Particulars                          | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from operationss             | 649.7                                | 587.2                                |
| Other income                         | 1.0                                  | 0.5                                  |
| Cost of goods sold                   | (207.5)                              | (210.7)                              |
| Depreciation and amortization        | (17.5)                               | (19.1)                               |
| Finance cost                         | (18.4)                               | (24.0)                               |
| Employee benefit expense             | (110.8)                              | (100.4)                              |
| Other expenses                       | (306.5)                              | (273.8)                              |
| <b>Loss before tax</b>               | <b>(10.0)</b>                        | <b>(40.3)</b>                        |
| Tax expense                          | (2.8)                                | (4.9)                                |
| <b>Loss for the year</b>             | <b>(12.8)</b>                        | <b>(45.2)</b>                        |
| Group's share of loss for the period | (3.8)                                | (13.8)                               |

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## ii) Eastern Condiments Middle East and North Africa FZC, UAE (ECMENA) - Joint Venture

The Group holds a 50% interest in ECMENA, a joint venture incorporated in the United Arab Emirates, which is engaged in the trading of spices and general trading. The Group's investment 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          | As at          |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2026 | March 31, 2025 |
| Opening balance                 | 141.9          | 128.9          |
| Share of profits                | (0.5)          | 9.8            |
| Translation exchange difference | 14.5           | 3.2            |
| Closing balance                 | 156.0          | 141.9          |

Summarised balance sheet of ECMENA is as follows:

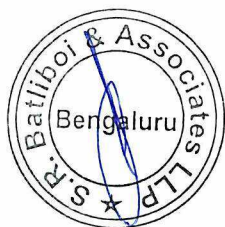
| Particulars                                    | As at          | As at          |
|------------------------------------------------|----------------|----------------|
|                                                | March 31, 2026 | March 31, 2025 |
| Non-current assets                             | -              | 0.2            |
| Current assets                                 | 312.3          | 285.8          |
| <b>Total assets</b>                            | <b>312.3</b>   | <b>286.0</b>   |
| Non-current liabilities                        | -              | -              |
| Current liabilities                            | 0.5            | 2.2            |
| <b>Total liabilities</b>                       | <b>0.5</b>     | <b>2.2</b>     |
| Book value of net assets                       | 311.8          | 283.8          |
| Fair value of net assets                       | 311.8          | 283.8          |
| Percentage ownership interest                  | 50%            | 50%            |
| <b>Accumulated Group's share of net assets</b> | <b>155.9</b>   | <b>141.9</b>   |

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

| Particular                                  | For the year ended | For the year ended |
|---------------------------------------------|--------------------|--------------------|
|                                             | March 31, 2026     | March 31, 2025     |
| Revenue from operations                     | -                  | 164.6              |
| (Loss)/Profit for the year                  | (1.0)              | 19.5               |
| Other comprehensive income                  | -                  | -                  |
| <b>Total comprehensive income</b>           | <b>(1.0)</b>       | <b>19.5</b>        |
| Group's share of (loss)/profit for the year | (0.5)              | 9.8                |
| Dividend received                           | -                  | -                  |

The joint venture had no contingent liabilities or capital commitments as at March 31, 2026 and March 31, 2025.

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

The Group has entered into lease arrangements for various office/store premises and warehouse facilities. The lease terms generally range from 2 to 25 years and include escalation clauses for lease rentals as per the terms of the respective agreements.

Certain lease agreements include renewal options, which are exercisable based on mutual consent of the lessee and the lessor. These agreements also contain termination options, allowing either party to terminate the lease by providing a specified notice period. Accordingly, the Group has considered the initial lease term for measurement of lease liabilities under Ind AS 116.

The Group also has leases with a lease term of 12 months or less and leases of low-value assets. For such leases, the Group has elected to apply the recognition exemptions under Ind AS 116 and recognizes the lease payments as a rent expense in the Statement of Profit and Loss.

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

|                                             | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------------------------------------|-------------------------|-------------------------|
| Within one year                             | 133.8                   | 129.0                   |
| After one year but not more than five years | 437.7                   | 372.3                   |
| More than five years                        | 363.9                   | 349.7                   |
| <b>Total</b>                                | <b>935.4</b>            | <b>851.0</b>            |

Total cash outflow for leases for the year ended March 31, 2026 is Rs. 279.6 (March 31, 2025; Rs 217.4).

The effective interest rate for lease liabilities is between 7% to 12.5% per annum (March 31, 2025 is between 7% to 12.5% per annum), with maturity between 2026 to 2046 for leasehold properties.

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

|                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------|-------------------------|-------------------------|
| Lease commitment for short-term leases          | 36.5                    | 38.9                    |
| Lease commitment for leases of low value assets | 0.2                     | 2.1                     |
| <b>Total</b>                                    | <b>36.7</b>             | <b>41.0</b>             |

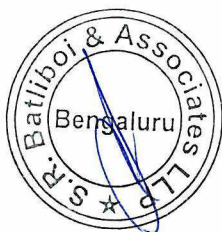
**Additional information on extension/termination option:**

Extension and termination options are included in a number of lease arrangements of the Group. These extension and termination options held are exercisable based on mutual consent of the Group and respective lessors.

**b) Other commitments**

|                                                                                                                 | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-----------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances | 47.0                    | 32.3                    |

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## 40 Contingent liabilities

|                                                       | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Litigations*                                          |                         |                         |
| (i) Indirect taxation (refer note (ii) to (vi) below) | 1,271.0                 | 1,243.3                 |
| (ii) Other litigations                                | 29.4                    | 26.0                    |

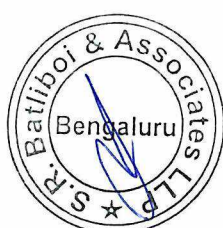
## Notes :

- (i) In prior years, the Group received claims from the Value Added Tax (VAT) authorities for payment of higher VAT rate on certain products. During the year ended March 31, 2013, the Honourable High Court of Karnataka adjudicated the matter in favour of the Group. However, the VAT authorities have filed a Special Leave Petition (SLP) before the Supreme Court, which has been admitted and is pending adjudication. As at March 31, 2026 and March 31, 2025, the Group continues to carry a provision of Rs. 114.2 in respect of this claim as a matter of prudence, pending final adjudication by the Supreme Court.
- (ii) The Group has ongoing litigation relating to service tax aggregating Rs. 81.6 (March 31, 2025: Rs. 81.6). In prior years, the Group received a demand order under Section 73(2) of the Finance Act, 1994 from the Principal Commissioner of Central Tax and Central Excise. The dispute primarily relates to the applicability of service tax on amounts reimbursed by the Group to its branch office located outside India for the period from April 2010 to June 2017. The Group has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT). Based on management's assessment, supported by tax advisors, the Group believes that its position is likely to be upheld in the appellate forum.
- (iii) The Group has ongoing disputes with Sales Tax/VAT authorities amounting to Rs. 104.2 (March 31, 2025: Rs. 104.2). The disputes primarily relate to matters such as levy of purchase tax and denial of concessional tax rates. The Group is contesting these demands before the appropriate appellate authorities. Based on management's assessment, supported by tax advisors, the Group believes that its position is likely to be upheld in the relevant appellate forums.
- (iv) The Group has ongoing litigations under the Goods and Services Tax (GST) law aggregating Rs. 1,025.2 (March 31, 2025: Rs. 996.3). The disputes primarily relate to matters such as payment of tax under the reverse charge mechanism (RCM) on import of services, availment of Input Tax Credit (ITC) on common services, ITC availed in excess of amounts reflected in GSTR-2A and availment of ITC on ineligible or blocked credits. The Group is contesting these demands before the appropriate appellate authorities. Based on management's assessment, supported by tax advisors, the Group believes that its position is likely to be upheld in the relevant appellate forums.
- (v) On May 6, 2019, the Group received a show cause notice (SCN) from the Directorate General of Goods and Services Tax Intelligence (DGGI), Surat Zonal Unit, for the period from April 1, 2014 to June 30, 2017. The SCN alleges that 'ready-to-cook spice mixes' (other than sambar mix, missal rasa mix and pav bhaji mix) are classifiable as 'mixed condiments and mixed seasonings' and are accordingly liable to excise duty, aggregating Rs. 59.2, along with applicable interest and penalty. Further, the SCN proposed denial of the benefit of the Small Scale Industry (SSI) exemption in respect of clearances of sambar mix, missal rasa mix and pav bhaji mix for the aforesaid period. The Group has filed a response to the SCN, contesting the allegations and has submitted that the SCN is not tenable and is liable to be quashed. Based on management's assessment, supported by tax advisors, the Group believes that it has a strong case on merits and that no liability is likely to arise. Accordingly, no provision has been recognized in the financial statements.
- (vi) Others indirect tax matters aggregating Rs. 0.8 (March 31, 2025: Rs. 2.1) relate to ongoing excise duty cases concerning concessional tax rates availed by the Group in the manufacture and sale of certain products. During the year ended March 31, 2026, the Group received a favourable order in a case amounting to Rs. 1.1. The Group is contesting the remaining matters before the appropriate appellate authorities. Based on management's assessment, supported by tax advisors, the Group believes that it has a strong case on merits and that its position is likely to be upheld in the relevant appellate forums.
- (vii) Other litigations aggregating Rs. 29.4 (March 31, 2025: Rs. 26.0) include matters relating to amounts claimed by workmen terminated by the Group in prior years on account of professional misconduct. The workmen have filed cases before the Labour Court, and the Group has filed appeals against such claims. During the year ended March 31, 2026, certain cases relating to a few workmen were disposed of through settlement. For the remaining matters, the Group is contesting the cases before the appropriate forums, and management has revised its estimate of the amount payable as at March 31, 2026. Based on management's assessment, supported by legal advisors, the Group believes that it has a strong case on merits and that its position is likely to be upheld in the relevant forums.
- (viii) The Group has received multiple notices alleging non-compliance with food safety regulations under the Food Safety and Standards Authority of India (FSSAI) Act, with proceedings initiated before relevant statutory forums. The allegations primarily pertain to the presence of pesticide residues exceeding permissible limits in certain batches of finished goods. The Group is contesting the matters at various levels of adjudication. The management, including its legal advisors, believe that its position will likely be upheld in the forums where these are contested. Accordingly, the management has assessed that these matters do not have a material impact on the standalone financial statements.

The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required in all the above cases.

\* The above figures include the interest/penalty only in cases where it's mentioned in the order. In other cases, the interest/penalty is not included as a reliable estimate cannot be made.

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

#### 41 Share based payments

##### I. Stock Options Plan - A

The ultimate holding company (Orkla ASA) of the Company operates equity incentive compensation programs which include Long Term Incentive (LTI) plan for executive management.

Under these plans, Orkla ASA, the ultimate holding company of the Company has granted equity options for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group'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.

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

|                                                       | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Expense arising from share-based payment transactions | 1.6                                  | 3.3                                  |
| <b>Total</b>                                          | <b>1.6</b>                           | <b>3.3</b>                           |

There were no cancellations or modifications to the awards during the year ended March 31, 2026 and March 31, 2025.

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

Under this scheme the yearly grant will be based on the share price on the day after the Annual General Meeting. Of the total options granted 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 grant date. The exercise price will be set at the market price at the grant 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, 2026   |            | March 31, 2025   |            |
|-----------------------------------------------------|------------------|------------|------------------|------------|
|                                                     | Number of shares | WAEP       | Number of shares | WAEP       |
| Outstanding option at the beginning of the year     | 2,05,853         | 607        | 2,05,854         | 607        |
| Granted during the year                             | -                | -          | -                | -          |
| Exercised during the year                           | (74,429)         | 733        | -                | -          |
| Expired during the year                             | -                | -          | -                | -          |
| Forfeited during the year                           | -                | -          | -                | -          |
| <b>Outstanding option at the ending of the year</b> | <b>1,31,424</b>  | <b>689</b> | <b>2,05,854</b>  | <b>607</b> |
| <b>Exercisable at the end of the year</b>           | <b>89,039</b>    | <b>689</b> | <b>1,12,870</b>  | <b>607</b> |

The weighted average remaining contractual life for the share options outstanding as at Mar 31, 2026 was 1.58 years (Mar 31, 2025 : 2.02).

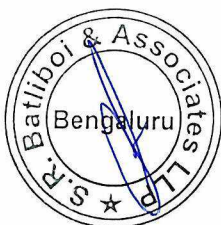
The weighted average fair value of options granted during the year was Rs. Nil (Mar 31, 2025 : Nil)

The range of exercise prices for options outstanding at the end of the year was Rs. 509 to Rs. 594 (Mar 31, 2025 : Rs. 509 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.

There were no options granted during the year ended March 31, 2026 and March 31, 2025.

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

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Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

## II. Stock Options Plan - B

The shareholders of the Company, at the extra-ordinary general meeting held on May 16, 2025 approved the below mentioned stock option plans through a special resolution.

- (i) Employee Stock Option Plan 2025 ("ESOP Plan")
- (ii) Management Stock Option Plan 2025 ("MSOP Plan")

The Company has granted stock options to certain employees and key managerial personnel under the above two plans which were approved by the Nomination and Remuneration Committee on September 24, 2025. The key terms and conditions are as below:

### (i) Employee Stock Option Plan 2025 ("ESOP Plan")

|                                   |                                                                                                                                                                                     |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grant date                        | September 24, 2025                                                                                                                                                                  |
| No. of options granted            | 6,68,154                                                                                                                                                                            |
| Exercise price                    | Rs. 1,239.8 each per option                                                                                                                                                         |
| Vesting schedule                  | Subject to the employee's continued service with the Company, 100% of the stock options granted under the ESOP Plan shall vest on completion of three years from the date of grant. |
| Exercise period                   | Two years from the date of vesting.                                                                                                                                                 |
| Economic benefits / Voting rights | Each option, upon exercise, will entitle the holder to receive one equity share having face value of Re. 1 each, fully paid up.                                                     |

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

|                                                       | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Expense arising from share-based payment transactions | 20.6                                 | -                                    |
| <b>Total</b>                                          | <b>20.6</b>                          | <b>-</b>                             |

There were no cancellations or modifications to the awards during the years ended March 31, 2026 and March 31, 2025.

### Movements during the year

The following are the number and weighted average exercise prices

| Particulars                                         | March 31, 2026   |                | March 31, 2025   |          |
|-----------------------------------------------------|------------------|----------------|------------------|----------|
|                                                     | Number of Shares | WAEP           | Number of Shares | WAEP     |
| Outstanding option at the beginning of the year     | -                | -              | -                | -        |
| Granted during the year                             | 6,68,154         | 1,239.8        | -                | -        |
| Exercised during the year                           | -                | -              | -                | -        |
| Expired during the year                             | -                | -              | -                | -        |
| Forfeited during the year                           | -                | -              | -                | -        |
| <b>Outstanding option at the ending of the year</b> | <b>6,68,154</b>  | <b>1,239.8</b> | <b>-</b>         | <b>-</b> |

Exercisable at the end of the year

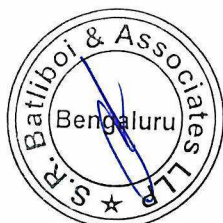
The weighted average remaining contractual life for the share options outstanding as at March 31, 2026 was 4.5 years (March 31, 2025 : Nil).

The weighted average fair value of options granted during the year was Rs. 178.7 (March 31, 2025 : Nil)

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

| Particulars                                      | March 31, 2026     | March 31, 2025 |
|--------------------------------------------------|--------------------|----------------|
| Number of options                                | 6,68,154           | -              |
| Valuation date                                   | September 24, 2025 | -              |
| Weighted average fair values at measurement date | Rs. 931.5          | -              |
| Dividend yield (%)                               | 0.0%               | -              |
| Expected volatility (%)                          | 26.5%              | -              |
| Risk-free interest rate (%)                      | 6.1%               | -              |
| Expected life of share options (years)           | 4.0                | -              |
| Exercise price at grant date                     | Rs. 1,239.8        | -              |
| Weighted average share price                     | Rs. 178.7          | -              |

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Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

**(ii) Management Stock Option Plan 2025 ("MSOP Plan")**

|                                   |                                                                                                                                                                                                                                                      |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grant Date                        | September 24, 2025                                                                                                                                                                                                                                   |
| No. of Options Granted            | 52,043                                                                                                                                                                                                                                               |
| Exercise price                    | Re. 1 each per option                                                                                                                                                                                                                                |
| Vesting Schedule                  | Subject to the employee's continued service with the Company, 100% of the options granted under the MSOP Plan shall vest on completion of one year from the date of grant or the date of listing on a recognised stock exchange, whichever is later. |
| Exercise Period                   | One year from the date of vesting.                                                                                                                                                                                                                   |
| Economic Benefits / Voting Rights | Each option, upon exercise, will entitle the holder to receive one equity share having face value of Re. 1 each, fully paid up.                                                                                                                      |

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

|                                                       | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Expense arising from share-based payment transactions | 25.1                                 | -                                    |
| <b>Total</b>                                          | <b>25.1</b>                          | <b>-</b>                             |

There were no cancellations or modifications to the awards during the year ended March 31, 2026 and March 31, 2025.

**Movements during the year**

The following are the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

| Particulars                                         | March 31, 2026   |            | March 31, 2025   |          |
|-----------------------------------------------------|------------------|------------|------------------|----------|
|                                                     | Number of Shares | WAEP       | Number of Shares | WAEP     |
| Outstanding option at the beginning of the year     | -                | -          | -                | -        |
| Granted during the year                             | 52,043           | 1.0        | -                | -        |
| Exercised during the year                           | -                | -          | -                | -        |
| Expired during the year                             | -                | -          | -                | -        |
| Forfeited during the year                           | -                | -          | -                | -        |
| <b>Outstanding option at the ending of the year</b> | <b>52,043</b>    | <b>1.0</b> | <b>-</b>         | <b>-</b> |

Exercisable at the end of the year

The weighted average remaining contractual life for the share options outstanding as at March 31, 2026 was 1.5 years (March 31, 2025 : Nil).

The weighted average fair value of options granted during the year was Rs. 930.5 (March 31, 2025 : Nil)

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

| Particulars                                      | March 31, 2026     | March 31, 2025 |
|--------------------------------------------------|--------------------|----------------|
| Number of options                                | 52,043             | -              |
| Valuation date                                   | September 24, 2025 | -              |
| Weighted average fair values at measurement date | Rs. 931.5          | -              |
| Dividend yield (%)                               | 0.0%               | -              |
| Expected volatility (%)                          | 27.4%              | -              |
| Risk-free interest rate (%)                      | 5.7%               | -              |
| Expected life of share options (years)           | 1.5                | -              |
| Exercise price at grant date                     | Re. 1              | -              |
| Weighted average share price                     | Rs. 930.5          | -              |

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

#### 42 Segment reporting

The Chief Executive Officer (CEO) is the Chief Operating Decision Maker (CODM) and 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<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|---------------|--------------------------------------|--------------------------------------|
| India         | 19,701.8                             | 18,721.5                             |
| Outside India | 5,227.1                              | 4,861.7                              |
|               | <b>24,928.9</b>                      | <b>23,583.2</b>                      |

There is no identifiable major customer in the Group who is contributing more than 10% of revenue

##### Non-current operating assets

|               | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|---------------|-------------------------|-------------------------|
| India         | 21,032.5                | 21,068.5                |
| Outside India | 4.9                     | 4.9                     |

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, intangible assets income-tax assets and other non-current assets.

#### 43 Government grant

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

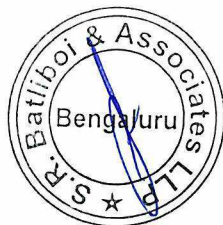
During the year ended March 31, 2018, the Company had availed benefits under the Export Promotion Capital Goods (EPCG) scheme amounting to Rs. 10.7 against import of capital goods aggregating Rs. 133.1 for manufacturing of confectionery products. Under the terms of the scheme, the Company was required to fulfill an export obligation of Rs. 64.1, being equivalent to six times of the duty saved within the prescribed period. In case of non-fulfillment of the prescribed export obligation, the Company would be liable to repay the duty exemption availed, together with interest at 18% per annum, proportionate to the extent of the unfulfilled obligation.

The duty saved on imported capital goods was initially accounted for as a government grant in accordance with the Company's accounting policy and recognised as deferred income.

During the year ended March 31, 2021, the Company assessed that it would not be able to fulfil the export obligation. Accordingly, the unamortised grant was reversed, and a liability was recognised for repayment of the duty saved along with applicable interest at 18% per annum. Interest was accrued from the date of availing the benefit.

The extended timeline for fulfilling the export obligation up to May 2025 lapsed without compliance. Accordingly, during the year ended March 31, 2025, the Company repaid the duty exemption availed together with the applicable accrued interest.

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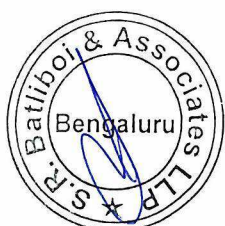


**44 Related party transactions****A. Name of related party and description of relationship**

| Description of relationship                                  | Name of the related parties                                                                                                                                                                                                                                                                                                                                                         | Relationship/Designation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Entities which have control over the Group               | Orkla ASA, Oslo, Norway<br>Orkla Asia Pacific Pte Ltd, Singapore                                                                                                                                                                                                                                                                                                                    | Ultimate holding company<br>Holding company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (b) Subsidiaries of ultimate holding company/holding company | Orkla IT AS<br>Orkla Procurement AS<br>Orkla Asia Pacific (M) Sdn. Bhd<br>Orkla Financial Services AS                                                                                                                                                                                                                                                                               | Fellow Subsidiary<br>Fellow Subsidiary<br>Fellow Subsidiary<br>Fellow Subsidiary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (c) Entities over which the Group has significant influence: | Pot Ful India Private Limited                                                                                                                                                                                                                                                                                                                                                       | Associate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| (d) Joint venture                                            | Eastern Condiments Middle East & North Africa                                                                                                                                                                                                                                                                                                                                       | Joint venture                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| (e) Key managerial personnel (KMP):                          | Mr. Sanjay Sharma<br>Mr. Atle Vidar Nagel Johansen<br>Ms. Else Helena Margareta<br>Mr. Claes Johan Wilhelmsson<br>Mr. Per Havard Skiaker Maelen<br>Ms. Maria Syse-nybraaten<br>Mr. Paul Jordahl<br>Mr. Ganesh Shenoy<br>Ms. Suniana Calapa<br>Ms. Ragee Raju<br>Mr. Kaushik Seshadri<br>Mr. Amit Jain<br>Ms. Meena Ganesh<br>Ms. Rashmi Satish Joshi<br>Mr. Shantanu Maharaj Khosla | Managing director and Chief executive officer<br>Chairperson and Director<br>Non-executive director (upto February 4, 2025)<br>Non-executive director (upto February 4, 2025)<br>Non-executive director<br>Non-executive director<br>Non-executive director (upto February 4, 2025)<br>Chief Financial Officer (upto December 31, 2023)<br>Chief Financial Officer (w.e.f January 01, 2024)<br>Company Secretary (upto September 23, 2024)<br>Company Secretary (w.e.f September 23, 2024)<br>Independent Director (w.e.f March 10, 2025)<br>Independent Director (w.e.f March 10, 2025)<br>Independent Director (w.e.f March 10, 2025)<br>Independent Director (w.e.f March 10, 2025) |
| (f) Post-employment benefit plan                             | MTR Foods Private Limited Employees Gratuity<br>Rasoi Magic Foods (India) Pvt. Ltd. Employees' Group Gratuity cum Life Assurance Scheme                                                                                                                                                                                                                                             | Post-employment benefit plan<br>Post-employment benefit plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**B. Transactions with the above related parties during the year ended**

| Nature of transaction                                  | For the year ended |                |
|--------------------------------------------------------|--------------------|----------------|
|                                                        | March 31, 2026     | March 31, 2025 |
| <b>i) Transactions during the year :</b>               |                    |                |
| <b>Receipt of services</b>                             |                    |                |
| Orkla ASA                                              | 7.2                | 11.6           |
| Orkla Procurement                                      | 16.5               | 12.9           |
| Orkla Financial Services AS                            | 2.2                | 0.8            |
| <b>Reimbursement of expenses to related parties</b>    |                    |                |
| Orkla ASA                                              | 3.1                | 5.1            |
| Orkla IT AS                                            | 5.2                | 7.6            |
| Eastern Condiments Middle East & North Africa FZC, UAE | 111.8              | 392.8          |
| <b>Reimbursement of expenses from related parties</b>  |                    |                |
| Orkla ASA                                              | 45.5               | 6.6            |
| Orkla IT AS                                            | 0.2                | -              |
| Orkla Procurement AS                                   | 0.2                | -              |
| <b>Sale of goods</b>                                   |                    |                |
| Pot Ful India Private Limited                          | 0.2                | 0.3            |
| <b>Interest on loan</b>                                |                    |                |
| Pot Ful India Private Limited                          | -                  | 3.9            |
| <b>Agency commission</b>                               |                    |                |
| Eastern Condiments Middle East & North Africa FZC, UAE | -                  | 11.7           |





## ii) Balances outstanding as at year end :

|                                                        | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|--------------------------------------------------------|-------------------------|-------------------------|
| <b>Amounts receivable from :</b>                       |                         |                         |
| Orkla ASA                                              | 43.7                    | -                       |
| Orkla IT AS                                            | 0.0                     | -                       |
| Orkla Procurement AS                                   | 0.2                     | -                       |
| Pot Ful India Private Limited                          | 0.0                     | -                       |
| <b>Amounts payable to :</b>                            |                         |                         |
| Orkla ASA                                              | 0.9                     | 0.5                     |
| Orkla IT AS                                            | 0.0                     | -                       |
| Orkla Procurement                                      | 1.4                     | 1.1                     |
| Orkla Financial Services AS                            | 0.2                     | 0.1                     |
| Eastern Condiments Middle East & North Africa FZC, UAE | -                       | 1.1                     |
| <b>Amounts payable to :</b>                            |                         |                         |
| Mr. Amit Jain                                          | 4.3                     | -                       |
| Ms. Meena Ganesh                                       | 4.3                     | -                       |
| Ms. Rashmi Satish Joshi                                | 4.3                     | -                       |
| Mr. Shantanu Maharaj Khosla                            | 4.3                     | -                       |
| Mr. Atle Vidar Nagel Johansen                          | 0.9                     | -                       |
| Mr. Sanjay Sharma                                      | 26.2                    | -                       |

## b. Loans given and repayment thereof

| Particulars                          | Opening<br>balance | Loans given | Repayment | Closing balance |
|--------------------------------------|--------------------|-------------|-----------|-----------------|
| <b>i) Associates</b>                 |                    |             |           |                 |
| <b>Pot Ful India Private Limited</b> |                    |             |           |                 |
| March 31, 2026                       | -                  | -           | -         | -               |
| March 31, 2025                       | 50.0               | -           | (50.0)    | -               |

## c. Compensation to key managerial personnel

|                                                            | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Short-term employee benefits *                             | 127.9                                | 89.1                                 |
| Post-employment benefits                                   | 14.6                                 | 1.6                                  |
| Share based payment                                        | 24.3                                 | 3.3                                  |
| Commission cost                                            | 18.1                                 | -                                    |
| Sitting fee paid to directors                              | 9.9                                  | -                                    |
| <b>Total compensation paid to key managerial personnel</b> | <b>194.8</b>                         | <b>94.0</b>                          |

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

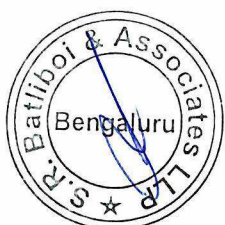
## Terms and conditions of transactions with related parties

(a) The Group had granted an unsecured loan to its associate, Pot Ful India Private Limited ("Pot Ful"), at an interest rate of 7% per annum for its principal business activities, with quarterly interest rests and an original repayment due date of September 2024. The tenure of the loan was subsequently extended up to March 2025 with the approval of the Board of Directors.

The loan was fully repaid during the year ended March 31, 2025.

(b) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Amounts 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, 2026, the Group has recorded impairment of Rs. Nil towards receivables from related parties (March 31, 2025: 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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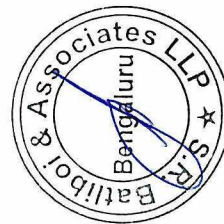


45 Fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2026 including their Levels in the fair value hierarchy.

| Particulars                                                                                          | Note    | FVTPL          | FVTOCI     | Carrying amount       | Level 1        | Fair Value     | Level 2     | Level 3     |
|------------------------------------------------------------------------------------------------------|---------|----------------|------------|-----------------------|----------------|----------------|-------------|-------------|
|                                                                                                      |         |                |            | Total carrying amount |                |                |             |             |
| <b>Financial assets measured at fair value</b>                                                       |         |                |            |                       |                |                |             |             |
| Investments in unquoted equity shares (measured through other comprehensive income) ^ 6a             |         | -              | 0.0        | -                     | 0.0            | -              | -           | 0.0         |
| Investments in units of mutual funds (measured through profit and loss) #                            | 6b      | 5,445.0        | -          | 5,445.0               | 5,445.0        | -              | -           | -           |
|                                                                                                      |         | <b>5,445.0</b> | <b>0.0</b> | <b>5,445.1</b>        | <b>5,445.0</b> | <b>5,445.0</b> | -           | <b>0.0</b>  |
| <b>Financial assets carried at amortised cost</b>                                                    |         |                |            |                       |                |                |             |             |
| Loans ^                                                                                              | 7 & 16  | -              | -          | -                     | 35.6           | -              | -           | -           |
| Trade receivables*                                                                                   | 13      | -              | -          | 35.6                  | 1,826.0        | -              | -           | -           |
| Cash and cash equivalents*                                                                           | 14      | -              | -          | 1,826.0               | 228.9          | -              | -           | -           |
| Bank balances other than cash and cash equivalents*                                                  | 15      | -              | -          | 228.9                 | 0.0            | -              | -           | -           |
| Other financial assets*                                                                              | 8 & 17  | -              | -          | 935.1                 | 935.1          | -              | -           | -           |
|                                                                                                      |         | -              | -          | <b>3,025.6</b>        | <b>3,025.6</b> | -              | -           | -           |
| There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2026 |         |                |            |                       |                |                |             |             |
| <b>Financial liabilities measured at fair value</b>                                                  |         |                |            |                       |                |                |             |             |
| Derivative liabilities ##                                                                            | 23b     | 40.6           | -          | -                     | 40.6           | -              | 40.6        | -           |
| Liability on account of forward commitment [refer note 49]^                                          | 23b     | 36.0           | -          | -                     | 36.0           | -              | -           | 36.0        |
|                                                                                                      |         | <b>76.6</b>    | -          | -                     | <b>76.6</b>    | -              | <b>40.6</b> | <b>36.0</b> |
| <b>Financial liabilities carried at amortised cost</b>                                               |         |                |            |                       |                |                |             |             |
| Lease liabilities ^                                                                                  | 4b      | -              | -          | -                     | 628.1          | -              | -           | -           |
| Trade payables*                                                                                      | 22      | -              | -          | -                     | 2,537.9        | -              | -           | -           |
| Other financial liabilities *                                                                        | 23a & b | -              | -          | -                     | 1,477.0        | -              | -           | -           |
|                                                                                                      |         | -              | -          | -                     | <b>4,643.0</b> | -              | -           | -           |
| There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2026 |         |                |            |                       |                |                |             |             |

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The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2025 including their Levels in the fair value hierarchy.

| Particulars                                                                                          | Note    | FVTPL          | FVTOCI     | Carrying amount<br>Other financial<br>assets-amortised<br>cost | Other<br>financial<br>liabilities-<br>amortised<br>cost | Total carrying amount | Level 1        | Fair Value<br>Level 2 | Level 3     |
|------------------------------------------------------------------------------------------------------|---------|----------------|------------|----------------------------------------------------------------|---------------------------------------------------------|-----------------------|----------------|-----------------------|-------------|
| <b>Financial assets measured at fair value</b>                                                       |         |                |            |                                                                |                                                         |                       |                |                       |             |
| Investments in unquoted equity shares (measured through other comprehensive income) <sup>a</sup>     | 6a      | -              | 0.0        | -                                                              | -                                                       | 0.0                   | -              | -                     | 0.0         |
| Investments in units of mutual funds (measured through profit and loss) <sup>#</sup>                 | 6b      | 1,474.3        | -          | -                                                              | -                                                       | 1,474.3               | 1,474.3        | -                     | -           |
| Derivative assets <sup>##</sup>                                                                      | 17      | 15.4           | -          | -                                                              | -                                                       | 15.4                  | -              | 15.4                  | -           |
|                                                                                                      |         | <b>1,489.7</b> | <b>0.0</b> | <b>-</b>                                                       | <b>-</b>                                                | <b>1,489.7</b>        | <b>1,474.3</b> | <b>15.4</b>           | <b>0.0</b>  |
| <b>Financial assets carried at amortised cost</b>                                                    |         |                |            |                                                                |                                                         |                       |                |                       |             |
| Loans <sup>a</sup>                                                                                   | 7 & 16  | -              | -          | 29.0                                                           | -                                                       | 29.0                  | -              | -                     | -           |
| Trade receivables*                                                                                   | 13      | -              | -          | 1,626.2                                                        | -                                                       | 1,626.2               | -              | -                     | -           |
| Cash and cash equivalents*                                                                           | 14      | -              | -          | 812.8                                                          | -                                                       | 812.8                 | -              | -                     | -           |
| Bank balances other than cash and cash equivalents*                                                  | 15      | -              | -          | 1,094.3                                                        | -                                                       | 1,094.3               | -              | -                     | -           |
| Other financial assets*                                                                              | 8 & 17  | -              | -          | 1,060.8                                                        | -                                                       | 1,060.8               | -              | -                     | -           |
|                                                                                                      |         | <b>-</b>       | <b>-</b>   | <b>4,623.1</b>                                                 | <b>-</b>                                                | <b>4,623.1</b>        | <b>-</b>       | <b>-</b>              | <b>-</b>    |
| There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2025 |         |                |            |                                                                |                                                         |                       |                |                       |             |
| <b>Financial liabilities measured at fair value</b>                                                  |         |                |            |                                                                |                                                         |                       |                |                       |             |
| Liability on account of forward commitment [refer note 49] <sup>a</sup>                              | 23b     | 36.0           | -          | -                                                              | -                                                       | 36.0                  | -              | -                     | 36.0        |
|                                                                                                      |         | <b>36.0</b>    | <b>-</b>   | <b>-</b>                                                       | <b>-</b>                                                | <b>36.0</b>           | <b>-</b>       | <b>-</b>              | <b>36.0</b> |
| <b>Financial liabilities carried at amortised cost</b>                                               |         |                |            |                                                                |                                                         |                       |                |                       |             |
| Lease liabilities <sup>a</sup>                                                                       | 4b      | -              | -          | -                                                              | 544.0                                                   | 544.0                 | -              | -                     | -           |
| Trade payables*                                                                                      | 22      | -              | -          | -                                                              | 2,698.3                                                 | 2,698.3               | -              | -                     | -           |
| Other financial liabilities *                                                                        | 23a & b | -              | -          | -                                                              | 1,766.7                                                 | 1,766.7               | -              | -                     | -           |
|                                                                                                      |         | <b>-</b>       | <b>-</b>   | <b>-</b>                                                       | <b>5,009.0</b>                                          | <b>5,009.0</b>        | <b>-</b>       | <b>-</b>              | <b>-</b>    |
| There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2025 |         |                |            |                                                                |                                                         |                       |                |                       |             |

\*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 Group 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.

<sup>a</sup> 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.

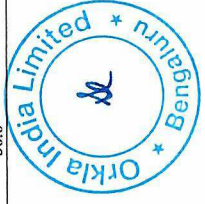
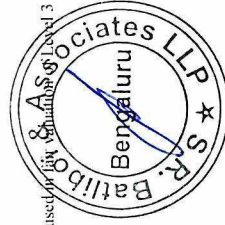
<sup>#</sup> Investments in mutual funds are based on the net asset value as published by the funds, hence they are classified as Level 1 of fair value hierarchy.

<sup>##</sup> Derivative liabilities (forward contracts): Fair value 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.

**Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below**

| Particulars                             | For year ended<br>March 31, 2026 | For year ended<br>March 31, 2025 |
|-----------------------------------------|----------------------------------|----------------------------------|
| Balance as at the beginning of the year | 36.0                             | 36.0                             |
| Balance as at the end of the year       | <b>36.0</b>                      | <b>36.0</b>                      |

The sensitivity of change in the unobservable inputs used in the valuation of Level 3 financial assets and liabilities does not have a significant impact in their value for the years ended March 31, 2026 and March 31, 2025.





#### 46 Financial risk management objectives and policies

The Group's principal financial liabilities comprise 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 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.

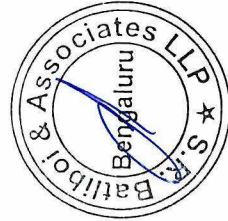
The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage 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 receivables from Group company to be fully recoverable and hence not subject to risk of impairment.

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, 2026 and March 31, 2025 are as follows

| Ageing       | As at          |                |
|--------------|----------------|----------------|
|              | March 31, 2026 | March 31, 2025 |
| Not due      | 0.2% - 0.4%    | 0.1% - 0.6%    |
| 0-90 days    | 0.6% - 0.9%    | 0.9% - 2.0%    |
| 91-180 days  | 4.2% - 31.5%   | 5.0% - 11.0%   |
| 181-365 days | 32.3% - 41.2%  | 21.1% - 34.4%  |
| > 1 year     | 100%           | 100.0%         |

##### Movement in the expected credit loss allowance

|                                                              | For the year ended |                |
|--------------------------------------------------------------|--------------------|----------------|
|                                                              | March 31, 2026     | March 31, 2025 |
| As at the beginning of the year                              | 21.1               | 70.7           |
| Impairment allowance created/(reversed) on trade receivables | 0.4                | (49.6)         |
| As at the end of the year                                    | 21.5               | 21.1           |



Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

#### B 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 year based on contractual undiscounted cash flows:

| As at March 31, 2026:       | Less than 1 year | 1-5 years    | More than 5 years | Total          |
|-----------------------------|------------------|--------------|-------------------|----------------|
| Lease liabilities           | 133.8            | 437.7        | 363.9             | 935.4          |
| Trade payables              | 2,537.9          | -            | -                 | 2,537.9        |
| Other financial liabilities | 1,446.9          | 106.7        | -                 | 1,553.6        |
| <b>Total</b>                | <b>4,118.6</b>   | <b>544.4</b> | <b>363.9</b>      | <b>5,026.9</b> |

| As at March 31, 2025:       | Less than 1 year | 1-5 years    | More than 5 years | Total          |
|-----------------------------|------------------|--------------|-------------------|----------------|
| Lease liabilities           | 129.0            | 372.3        | 349.7             | 851.0          |
| Trade payables              | 2,698.3          | -            | -                 | 2,698.3        |
| Other financial liabilities | 1,662.5          | 140.2        | -                 | 1,802.7        |
| <b>Total</b>                | <b>4,489.8</b>   | <b>512.5</b> | <b>349.7</b>      | <b>5,352.0</b> |

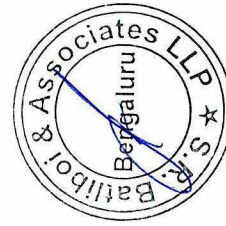
#### C Market risk

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.

#### (a) 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 (Rs.) 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, EUR and NOK.

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The Group has entered into following outstanding forward exchange contracts as on March 31, 2026 and March 31, 2025 in respect of highly probable exports:

| Currency          | As at<br>March 31, 2026 | As at<br>March 31, 2025 |
|-------------------|-------------------------|-------------------------|
| USD (in millions) | 12.8                    | 12.3                    |
| INR (in millions) | 1,176.9                 | 1,072.3                 |

#### Exposure to currency risk

The currency profile of financial & other assets and financial & other liabilities as at March 31, 2026 and March 31, 2025 are as below:

|                                                                          | Amount in foreign currency (in million) |                |                |                | Amount in Rupees (in million) |                |                |                |
|--------------------------------------------------------------------------|-----------------------------------------|----------------|----------------|----------------|-------------------------------|----------------|----------------|----------------|
|                                                                          | As at                                   |                | As at          |                | As at                         |                | As at          |                |
|                                                                          | March 31, 2026                          | March 31, 2025 | March 31, 2026 | March 31, 2025 | March 31, 2026                | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| Amount receivable / payable in foreign currency on account of following: |                                         |                |                |                |                               |                |                |                |
| Bank balances                                                            | 0.6                                     | 0.1            | 54.8           | 8.5            |                               |                |                |                |
| Trade and other receivables                                              | 0.0                                     | 0.0            | 5.7            | 4.3            |                               |                |                |                |
| Customer advances                                                        | 1.0                                     | 0.9            | 133.7          | 55.0           |                               |                |                |                |
| Advance recoverable (including capital advance)                          | 0.0                                     | 0.0            | 1.2            | 3.1            |                               |                |                |                |
| Trade and other payables                                                 | 0.4                                     | 0.1            | 41.1           | 8.3            |                               |                |                |                |
|                                                                          | 0.1                                     | 0.2            | 1.0            | 1.8            |                               |                |                |                |
|                                                                          | -                                       | 0.0            | -              | 0.3            |                               |                |                |                |
|                                                                          | 0.0                                     | -              | 0.5            | -              |                               |                |                |                |

#### Sensitivity analysis\*

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

| Currency | As at and for the year ended March 31, 2026 |              |                |              | As at and for the year ended March 31, 2025 |              |                |              |
|----------|---------------------------------------------|--------------|----------------|--------------|---------------------------------------------|--------------|----------------|--------------|
|          | Increase by 5%                              |              | Decrease by 5% |              | Increase by 5%                              |              | Decrease by 5% |              |
|          | (in million)                                | (in million) | (in million)   | (in million) | (in million)                                | (in million) | (in million)   | (in million) |
| USD      | 7.3                                         | (7.3)        | 1.3            | (1.3)        |                                             |              |                |              |
| GBP      | 0.3                                         | (0.3)        | 0.2            | (0.2)        |                                             |              |                |              |
| EUR      | -                                           | -            | 0.0            | (0.0)        |                                             |              |                |              |
| NOK      | (0.1)                                       | 0.1          | (0.1)          | 0.1          |                                             |              |                |              |
| CAD      | 0.0                                         | (0.0)        | (0.0)          | 0.0          |                                             |              |                |              |

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group does not have any long term debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

#### (c) Price risk

The Group invests in mutual fund schemes of equity and hybrid which 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.





Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

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Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

#### 47 Capital management

For the purpose of Group's capital management, capital includes issued capital, securities 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, 2026.

|                                                                | As at          | As at          |
|----------------------------------------------------------------|----------------|----------------|
|                                                                | March 31, 2026 | March 31, 2025 |
| Net debt (total borrowings, net of cash and cash equivalents)* | -              | -              |
| Total equity                                                   | 27,500.3       | 24,595.0       |
| Net debt to equity ratio                                       | 0.00%          | 0.00%          |

\*As at March 31, 2026 and March 31, 2025, the Company's net debt is less than zero.

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.

#### 48 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 issued during the year

Weighted average number of equity shares outstanding during the year for Basic EPS (A)\*

Weighted average number of potential ordinary shares \*\*

Weighted average number of equity shares outstanding during the year for Diluted EPS (B)\*

|  | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--|--------------------------------------|--------------------------------------|
|  | 13,69,89,230                         | 13,69,89,230                         |
|  | -                                    | -                                    |
|  | 13,69,89,230                         | 13,69,89,230                         |
|  | 6,085                                | -                                    |
|  | 13,69,95,315                         | 13,69,89,230                         |

##### Profit attributable to the equity shareholders (C)

Basic earnings per share (C/A)

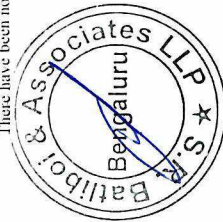
Diluted earnings per share (C/B)

|  | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|--|--------------------------------------|--------------------------------------|
|  | 2,856.7                              | 2,556.9                              |
|  | 20.9                                 | 18.7                                 |
|  | 20.8                                 | 18.7                                 |

\* During the year ended March 31, 2026, the Company has sub-divided 13,698,923 issued, subscribed & paid-up equity shares of face value of Rs. 10 each into 136,989,230 issued, subscribed & paid-up equity shares of face value of Re. 1 each. Consequently weighted average number of shares for the previous year have been restated during the period considering the impact of split of shares.

\*\* Potential ordinary shares are considered anti-dilutive when their conversion into ordinary shares results in an increase in earnings per share or a decrease in loss per share. Accordingly, the computation of diluted earnings per share excludes the impact of such anti-dilutive potential ordinary shares. The potential ordinary shares referred to above relate to the dilutive effect of the Management Stock Options Plan.

There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of approval of the consolidated financial statements.



49 a. Merger of subsidiary Eastern Condiments Private Limited (ECPL) with the Company

On March 16, 2021 and March 17, 2021, the Board of Directors and shareholders of the Company, respectively, approved the acquisition of a 67.82% equity stake (6,549,310 Shares) in Eastern Condiments Private Limited ("ECPL") for a consideration of Rs. 12,743.8. Pursuant to these approvals, the Company executed Share Purchase Agreements ("SPA") on March 24, 2021 and completed the acquisition on March 31, 2021, consequent to which ECPL became a subsidiary of the Company.

In accordance with the SPA, it was intended that ECPL would merge with the Company, subject to necessary merger approvals, including from the National Company Law Tribunal ("NCLT"), Bangalore, under the provisions of the Companies Act, 2013. As part of the arrangement, the remaining 32.18% equity stake held by the promoters of ECPL ("Promoters") was to be acquired through a combination of equity shares and redeemable optionally convertible preference shares ("ROCPs"). Accordingly, upon completion of the merger, the Company will hold a 100% equity interest in ECPL, and the Promoters will hold a 9.99% stake in the Company on a fully diluted basis.

In the event of non-completion of the proposed merger, the Company was required to acquire, and the Promoters were required to sell, the remaining 32.18% stake as per the terms and conditions of the Sale and Acquisition Agreement dated March 24, 2021 entered between Orkla ASA, ultimate holding company of the Company, and the Promoters. Under this arrangement, the Company was to acquire the said stake through a combination of fixed cash consideration of Rs. 3,344.2 and issuance of ROCPs amounting to Rs. 2,700.0.

Accordingly, in accordance with Ind AS 32, the fair value of consideration payable in cash amounting to Rs. 3,344.2 (measured at amortised basis) and Rs. 36.0 payable towards final working capital adjustments was recognised as a financial liability. The balance consideration of Rs. 2,700.0 was presented in the Standalone Statement of Changes in Equity as "Shares pending issuance" for the year ended March 31, 2023.

On November 13, 2021, the Company and ECP filed a Scheme of Merger ("Scheme") with the National Company Law Tribunal ("NCLT"), Bangalore, with an appointed date of April 1, 2021. The NCLT, vide its order dated August 24, 2023, approved the Scheme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder. The Scheme became effective from September 1, 2023 upon fulfilment of all conditions precedent mentioned therein. Pursuant to the Scheme, ECPL was merged with the Company with effect from April 1, 2021. The NCLT order, received subsequent to the year-end but prior to the approval of the financial statements, was treated as an adjusting event in accordance with ITTG Bulletin 14. Accordingly, the effect of the merger was recognised in the standalone financial statements of the Company for the year ended March 31, 2023, in line with the accounting treatment prescribed under the approved Scheme.

In accordance with the Scheme of Merger, during the year ended March 31, 2024, the Company issued 757,526 equity shares and 611,128 Redeemable Optionally Convertible Preference Shares ("ROCPs") to the promoters of ECPL towards acquisition of the remaining 32.18% equity stake. Consequently, the Company derecognised the acquisition-related financial liability of Rs. 3,344.2 and shares pending issuance of Rs. 2,700.0 recognised at the time of acquisition. A capital reserve of Rs. 6,030.6 was recorded, being the difference between the face value of shares issued of Rs. 136 and the aforesaid consideration, in accordance with the approved Scheme and Ind AS 103 (Appendix C). Of the ROCPs issued, 50% were converted into equity shares in a 1:1 ratio during the year ended March 31, 2024, and the remaining 50% were converted during the year ended March 31, 2025.

Further, in accordance with the Scheme, the authorised share capital of ECPL was merged with that of the Company.

b. Merger of Rasoi Magic Foods (India) Private Limited and BAMIS Condiments Impex Private Limited, wholly owned subsidiaries with the Company

During the year ended March 31, 2025, the Company filed an application along with a Scheme of Merger with the Regional Director ("RD") under Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for the merger of its wholly owned subsidiaries, Rasoi Magic Foods (India) Private Limited ("Rasoi") and BAMIS Condiments Impex Private Limited ("BAMIS"), with the Company, with an appointed date of April 1, 2024. The RD, vide its order dated March 21, 2025, approved the Scheme.

The Scheme became effective on March 21, 2025 upon fulfilment of all conditions precedent mentioned therein. Accordingly, Rasoi and BAMIS were merged with the Company with effect from April 1, 2024.

As the entities were under common control, the merger has been accounted for using the Pooling of Interest method in accordance with Appendix C of Ind AS 103, "Business Combinations", from the beginning of the earliest period presented, i.e., April 1, 2023. In applying this method, the Company has recognised the assets, liabilities and reserves of the merging entities at their carrying values as reflected in the consolidated financial statements of the Company, in accordance with the guidance prescribed in ITTG Bulletin 9.

Pursuant to the merger, the authorised share capital of Rs. 23 of the subsidiaries was added to the authorised share capital of the Company in accordance with the Scheme of Merger and provisions of the Companies Act, 2013.

Further, pursuant to the Scheme of Merger, the authorised share capital of the Company has been increased by Rs. 23.0.

The previous year figures of Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income) and Statement of Cash Flows of the standalone financial statements of the Company have been restated considering that the merger has taken place from the first day of the earliest period presented i.e., April 01, 2023 as required under Appendix C of Ind AS 103. The aforesaid scheme has no impact on the consolidated financial statement of the Group since the scheme of merger was within the parent company and wholly owned subsidiaries.





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(All amounts are in Rs. million except share data and per share data, unless stated otherwise)

50 The Holding Company and its associate incorporated in India has used four accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective accounting software except the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for three accounting software throughout the year.

Further, the audit trail feature has not been tampered with in respect of accounting software where the audit trail has been enabled.

Additionally, based on the requirements of Section 128(5) of the Companies Act, 2013, the audit trail of prior years has been preserved as per the statutory requirements for record retention, to the extent it was enabled and recorded in the prior years.

#### 51 Exceptional items (net)

|                                                                                                    | For the year ended<br>March 31, 2026 | For the year ended<br>March 31, 2025 |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| i) Insurance claim receivable written off [refer note (ii)]                                        | -                                    | (203.2)                              |
| ii) Amount received from Promoters of ECPL against the insurance claim receivable [refer note (i)] | -                                    | 223.5                                |
| iii) Settlement of tax litigations as per SPA and related agreements [refer note (ii)]             | -                                    | (356.7)                              |
| iv) Impact of new Labour Codes [refer note (iii)]                                                  | (166.6)                              | -                                    |
|                                                                                                    | <b>(166.6)</b>                       | <b>(336.4)</b>                       |

#### Note:

(i) Pursuant to a fire incident at Theni manufacturing plant, ECPL had filed a claim with the insurance company for the losses incurred on account of the damages. Further, ECPL recognised a minimum insurance claim receivable of Rs. 203.2 million in prior years. Based on the terms of the SPA, the Promoters of ECPL ("Promoters") had agreed to compensate the Company for the claim receivable from the insurance company, in case the same is not received from the insurance company by December 2024. As per the Settlement Agreement dated March 8, 2025, the Promoters have paid the aforesaid claim to the Company. Accordingly, the Company has written off the insurance claim receivable from the insurance company and recorded a corresponding income against the claim received from the Promoters during the year ended March 31, 2025.

(ii) As at the time of acquisition in March 2021, the Company had adjusted the purchase consideration for certain existing and potential litigations/claims as deemed appropriate. Based on the terms of the SPA, the Company is liable to refund the adjusted amounts to the Promoters in case they receive favourable orders against such litigations within a specified timeline. During the year ended March 31, 2025, the Company:

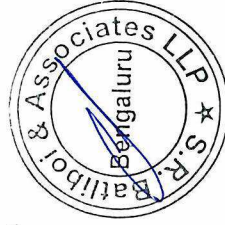
- (a) received favourable orders in certain tax matters and accordingly paid the net adjusted amount of Rs. 121.7 million to the Promoters
- (b) reassessed the open tax litigation matters and based on the merits of the case, provision of Rs. 235.0 million has been created as payable to Promoters

(iii) On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed the impact of these changes on the basis of legal opinion obtained and available information consistent with the guidance provided by the Institute of Chartered Accountants of India. The financial implications of these changes have resulted in increase in the gratuity liability arising out of past service cost amounting to Rs. 166.6 million during the year ended March 31, 2026, which has been disclosed as Exceptional Items in the financial results. Considering that it is an emerging topic and finalisation of certain Rules are still pending, the Company will continue to monitor changes and provide appropriate accounting effect as required based on future developments.

52 During the year ended March 31, 2026, the Holding Company has completed its Initial Public Offering (IPO) of 22,843,004 equity shares with a face value of Re. 1 each at an issue price of Rs. 730 per share (includes an employee reservation portion of 30,000 equity shares with a face value of Re. 1 each at an issue price of Rs. 661 per share), consisting entirely of an offer for sale of 22,843,004 shares. The total proceeds from the offer for sale amounted to Rs. 16,673.3 million. The Holding Company's equity shares were listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) on November 06, 2025.

#### 53 Transfer pricing

Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within due date of filing the Return of Income. The Group is in the process of updating the Transfer Pricing documentation for the financial year ended March 31, 2026 following a detailed transfer pricing study conducted for the financial year ended March 31, 2025. In the opinion of the Management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.





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, 2026           |          |                                     |                                     |                                                 |        |
|---------------------------------------------------------|---------------------------------------------|----------|-------------------------------------|-------------------------------------|-------------------------------------------------|--------|
|                                                         | As at March 31, 2026                        |          |                                     | Share in profit or loss             |                                                 |        |
|                                                         | Net Assets (total assets minus liabilities) |          |                                     | Share in other comprehensive income |                                                 |        |
|                                                         | As % of consolidated net assets             | Amount   | As % of consolidated profit or loss | Amount                              | As % of consolidated total comprehensive income | Amount |
| Parent                                                  | 100%                                        | 27,417.7 | 98%                                 | 2,817.6                             | -1408%                                          | 98%    |
| Subsidiaries - Foreign                                  | 0%                                          | 87.4     | 2%                                  | 43.5                                | 383%                                            | 2%     |
| Orkla IME/A Trading LLC                                 | 0%                                          | (14.2)   | 0%                                  | (3.8)                               | -                                               | 0%     |
| Associate - Indian (accounted under equity method)      | 0%                                          |          |                                     |                                     |                                                 |        |
| Pot Ful India Private Limited                           | 1%                                          | 155.9    | 0%                                  | (0.5)                               | 1125%                                           | 0%     |
| Joint venture - Foreign (accounted under equity method) | -1%                                         | (146.6)  | 0%                                  | (0.1)                               | 0%                                              | 0%     |
| Eastern Condiments Middle East & North Africa FZC, UAE  | 100%                                        | 27,500.3 | 100%                                | 2,856.7                             | 100%                                            | 100%   |
| Adjustment arising out of consolidation                 |                                             |          |                                     |                                     |                                                 |        |
| Total                                                   |                                             |          |                                     |                                     |                                                 |        |
|                                                         |                                             |          |                                     |                                     |                                                 |        |
| Name of the entity in the group                         | For the year ended March 31, 2025           |          |                                     |                                     |                                                 |        |
|                                                         | As at March 31, 2025                        |          |                                     | Share in profit or loss             |                                                 |        |
|                                                         | Net Assets (total assets minus liabilities) |          |                                     | Share in other comprehensive income |                                                 |        |
|                                                         | As % of consolidated net assets             | Amount   | As % of consolidated profit or loss | Amount                              | As % of consolidated total comprehensive income | Amount |
| Parent                                                  | 100%                                        | 24,571.0 | 99%                                 | 2,539.6                             | 110%                                            | 99%    |
| Subsidiaries - Foreign                                  | 0%                                          | 38.2     | 1%                                  | 25.9                                | -1%                                             | 1%     |
| Orkla IME/A Trading LLC                                 | 0%                                          | (10.3)   | -1%                                 | (13.8)                              | 0%                                              | -1%    |
| Associate - Indian (accounted under equity method)      | 0%                                          |          |                                     |                                     |                                                 |        |
| Pot Ful India Private Limited                           | 1%                                          | 141.9    | 0%                                  | 9.8                                 | -9%                                             | 1%     |
| Joint venture - Foreign (accounted under equity method) | -1%                                         | (145.8)  | 0%                                  | (4.5)                               | 0%                                              | 0%     |
| Eastern Condiments Middle East & North Africa FZC, UAE  | 100%                                        | 24,595.0 | 100%                                | 2,556.9                             | 100%                                            | 100%   |
| Adjustment arising out of consolidation                 |                                             |          |                                     |                                     |                                                 |        |
| Total                                                   |                                             |          |                                     |                                     |                                                 |        |

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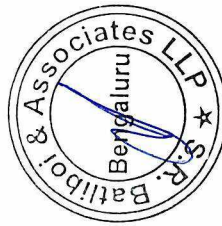
Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

**55 Other statutory information for the years ended March 31, 2026 and March 31, 2025:**

- (i) No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Group has not traded, invested nor holding any cryptocurrency or virtual currency.
- (iv) The Group has not granted any loans or advances in the nature of loan 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 Company (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 Company (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 does not have any transactions with companies struck off under Section 248 of the Companies act, 2013 or Section 560 of Companies act, 1956.
- (viii) The Group has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Group has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets

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Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)

CIN: L15136KA1996PLC021007

Notes to consolidated financial statements for the year ended March 31, 2026

(All amounts are in Rs. million, unless stated otherwise)

**56 Events after the reporting period**

There are no events or transactions which have occurred since the balance sheet date which would have a material effect and require adjustments in consolidated financial statements.

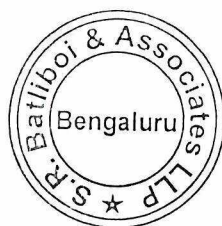
As per our report of even date attached herein

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

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

  
per **Sunil Gaggar**  
Partner  
Membership no.: 104315



Place: Bengaluru  
Date: May 19, 2026

For and on behalf of the Board of Directors of

**Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)**

CIN: L15136KA1996PLC021007

  
**Atle Vidar Nagel Johansen**  
Chairperson & Director  
DIN: 01361367

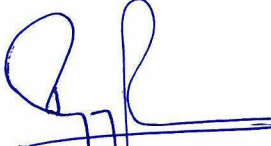
Place: Oslo, Norway  
Date: May 19, 2026

  
**Suniana Calapa**  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2026

  
**Rashmi Satish Joshi**  
Independent Director  
DIN: 06641898

Place: Mumbai  
Date: May 19, 2026

  
**Sanjay Sharma**  
Managing Director & Chief Executive Officer  
DIN: 02581107

Place: Oslo, Norway  
Date: May 19, 2026

  
**Kaushik Seshadri**  
Company Secretary  
Membership no: A41800

Place: Bengaluru  
Date: May 19, 2026

