

**INDEPENDENT AUDITOR'S REPORT**

To the Members of MTR Foods Private Limited

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of MTR Foods Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.



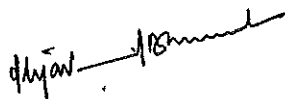
# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32(a) to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in Note 43 to the standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number 101049W/E300004



per Aditya Vikram Bhauwala  
Partner  
Membership Number: 208382



Place: Bengaluru  
Date: September 21, 2017

**Annexure 1 referred to in our report to the members of MTR Foods Private Limited (“the Company”) for the year ended March 31, 2017. We report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, except for land acquired in an earlier year with a cost of Rs 45,954,039 (Gross block), the title deeds of other immovable properties included in property, plant and equipment are held in the name of the Company. As explained to us, registration of the title deed is in progress in respect of such land.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013 (“the Act”). In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loan to a company covered in the register maintained under section 189 of the Act. The schedule of repayment of principal and payment of interest has been stipulated for the loan granted. The loan was not due for repayment during the year and the receipt of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms, Limited liability Partnerships or other parties listed in the register maintained under section 189 of the Act, which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. In respect of investments made, loans and guarantees given, provisions of section 186 of the Act, as applicable, have been complied with.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added taxes, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

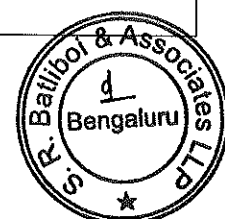


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(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, value added tax, excise duty and cess on account of any dispute, are as follows: -

Name of the statute	Nature of dues	Amount of dispute (Rs)	Payment under protest (Rs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,480,514	1,470,514	September 2006 to May 2007	Customs Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	50,625	-	March 2009 to December 2009	Customs Excise & Service Tax Appellate Tribunal
The Central Excise and Customs Act, 1944	Excise duty	827,023	-	March 2006 to May 2007	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	7,055,931	-	November 2004 to February 2006	Supreme Court
The Central Excise and Customs Act, 1944	Excise duty	98,049	11,500	March 2011 to December 2012	Customs Excise Service Tax Appellate Tribunal
The Central Excise and Customs Act, 1944	Excise duty	16,945	16,945	January 2014 to December 2014	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	13,794	13,794	January 2015 to December 2015	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	1,076,478	1,076,478	March 2011 to December 2011	Customs Excise Service Tax Appellate Tribunal
The Central Excise and Customs Act, 1944	Excise duty	6,585,437	6,585,437	January 2012 to October 2013	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	4,281,087	4,281,087	November 2013 to October 2014	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	53,996,201	-	March 2012 to December 2012	Customs Excise & Service Tax Appellate Tribunal
The Central Excise and Customs Act, 1944	Excise duty	66,994,521	4,650,000	January 2013 to November 2013	Customs Excise & Service Tax Appellate Tribunal
The Central Excise and Customs Act, 1944	Excise duty	13,698,791	825,000	December 2013 to February 2014	Customs Excise & Service Tax Appellate Tribunal



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The Central Excise and Customs Act, 1944	Excise duty	3,831,639	3,831,639	November 2014 to October 2015	Commissioner of Central Excise & Customs (Appeals)
The West Bengal Value Added Tax Act, 2003	VAT/ CST	2,778,677	-	April 2010 to March 2011	West Bengal Sales Tax Appellate & Revisional Board
The West Bengal Value Added Tax Act, 2003	VAT/ CST	259,323	-	April 2011 to March 2012	Joint Commissioner, Commercial Taxes (Appeals)
Karnataka Value Added Tax Act, 2003	VAT/ CST	25,067,343	-	December 2006 to September 2007	Supreme Court
Income Tax Act, 1961	Income Tax	3,996,857	-	AY 13-14 and AY 14-15	Assistant Commissioner of Income Tax

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company does not have any borrowing by way of debentures or from government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer/ further public offer/ debt instruments and term loans, hence reporting under clause 3(ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) of the Order are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order in so far as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.



# *S.R. BATLIBOI & ASSOCIATES LLP*

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- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S. R. Batliboi & Associates LLP

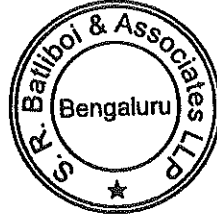
Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aditya Vikram Bhauwala  
Partner

Membership Number: 208382



Place: Bengaluru

Date: September 21, 2017

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

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

We have audited the internal financial controls over financial reporting of MTR Foods Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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

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



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

Chartered Accountants

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

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

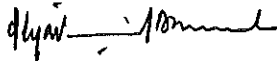
## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aditya Vikram Bhauwala  
Partner

Membership Number: 208382



Place: Bengaluru

Date: September 21, 2017



**MTR FOODS PRIVATE LIMITED**  
Balance sheet as at March 31, 2017

	Notes	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
<b>Shareholders' funds</b>			
Share capital	3	111,830,000	131,830,000
Reserves and surplus	4	1,840,661,550	1,808,766,226
		<u>1,952,491,550</u>	<u>1,940,596,226</u>
<b>Deferred government grants</b>	5	4,392,322	5,539,562
<b>Non-current liabilities</b>			
Long-term borrowings	6	18,150,586	25,429,938
		<u>18,150,586</u>	<u>25,429,938</u>
<b>Current liabilities</b>			
Short-term borrowings	7	200,000,000	20,900,000
Trade payables	8		
Total outstanding dues of micro & small enterprises		51,555,839	46,112,121
Total outstanding dues of creditors other than micro & small enterprises		661,917,519	656,796,976
Other current liabilities	8	189,305,369	141,908,046
Short-term provisions	9	235,449,934	200,274,473
		<u>1,338,228,661</u>	<u>1,065,991,616</u>
<b>TOTAL</b>		<u><u>3,313,263,119</u></u>	<u><u>3,037,557,342</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, plant and equipment	10.1	1,710,246,458	1,206,939,461
Intangible assets	10.2	10,661,379	47,830,371
Capital work-in-progress		233,918,641	117,693,392
Non-current investments	11	270,702,163	270,702,163
Deferred tax assets (net)	12	47,794,851	48,231,291
Loans and advances	13	112,577,386	178,624,952
		<u>2,385,900,878</u>	<u>1,870,021,630</u>
<b>Current assets</b>			
Current Investments	14	463,171	-
Inventories	15	569,277,175	540,755,424
Trade receivables	16	175,076,126	144,915,248
Cash and bank balances	17	101,605,804	373,701,393
Loans and advances	13	77,104,191	106,825,036
Other current assets	18	3,835,774	1,338,611
		<u>927,362,241</u>	<u>1,167,535,712</u>
<b>TOTAL</b>		<u><u>3,313,263,119</u></u>	<u><u>3,037,557,342</u></u>
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

*Aditya Vikram Bhauwala*  
per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382



Place: Bengaluru  
Date: September 21, 2017

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

*Atle Vidar Johnsen*  
Atle Vidar Johnsen  
Chairman  
DIN: 01361367

*B.G. Shenoy*  
B.G. Shenoy  
Chief Financial Officer

Place: Bengaluru  
Date: September 21, 2017

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

*Aneesh K*  
Aneesh K  
Company Secretary  
Membership no.: 32470

**MTR FOODS PRIVATE LIMITED**  
Statement of profit and loss for the year ended March 31, 2017

	Notes	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
<b>Income</b>			
Revenue from operations (gross)	19	6,959,604,177	6,366,311,239
Less: Excise duty		57,228,980	46,287,085
Revenue from operations (net)		<u>6,902,375,197</u>	<u>6,320,024,154</u>
Other income	20	56,507,386	47,797,638
<b>Total revenue</b>		<u><b>6,958,882,583</b></u>	<u><b>6,367,821,792</b></u>
<b>Expenses</b>			
Cost of raw materials and packing materials consumed	21	3,436,831,352	3,260,275,419
Purchase of traded goods		362,293,495	277,054,946
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	22	(26,766,724)	(11,505,145)
Employee benefits expense	23	891,603,884	786,038,461
Other expenses	24	1,355,858,617	1,339,246,754
Depreciation and amortization expense	25	168,995,331	160,710,502
Finance costs	26	18,195,546	12,085,961
<b>Total expenses</b>		<u><b>6,207,011,501</b></u>	<u><b>5,823,906,898</b></u>
<b>Profit before tax</b>		<u><b>751,871,082</b></u>	<u><b>543,914,894</b></u>
<b>Tax expenses</b>			
Current tax		241,110,000	209,797,827
Tax of earlier years		(1,570,682)	1,095,186
Deferred tax		436,440	(10,080,561)
<b>Total tax expense</b>		<u><b>239,975,758</b></u>	<u><b>200,812,452</b></u>
<b>Profit for the year</b>		<u><u><b>511,895,324</b></u></u>	<u><u><b>343,102,442</b></u></u>

Earnings per equity share [nominal value of share Rs. 10 (March 31, 2016: Rs. 10)]


Basic and Diluted	39.12	26.03
Weighted average number of shares used in computing Basic & Diluted earning per share	13,084,370	13,183,000

Summary of significant accounting policies 2.1

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

As per our report of even date

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

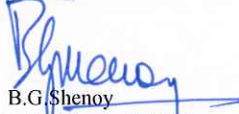
  
per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382



Place: Bengaluru  
Date: September 21, 2017

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

  
Atle Vidar Johnsen  
Chairman  
DIN: 01361367

  
B.G. Shenoy  
Chief Financial Officer

  
Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

  
Anesh K  
Company Secretary  
Membership no.: 32470

Place: Bengaluru  
Date: September 21, 2017



**MTR FOODS PRIVATE LIMITED**  
Cash flow statement for the year ended March 31, 2017

Notes	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
<b>A Cash flows from operating activities</b>		
Profit before tax	751,871,082	543,914,894
<b>Adjustment for:</b>		
Depreciation/ amortization	168,995,331	160,710,502
Capital subsidy recognised	(1,147,240)	(1,359,897)
Interest expense	13,521,426	7,736,057
Profit on sale of investments in units of mutual funds - current	(10,465,768)	-
Interest income on loan to subsidiary company	(936,926)	(8,191,118)
Interest Income - others	(25,559,826)	(17,503,465)
Loss/ (profit) on sale of property, plant and equipment, net	1,673,517	(168,531)
Bad debts written off	108,269	-
Provision for doubtful debts and advances	266,122	318,222
Advances written off	318,892	809,884
Liabilities written back	(1,793,866)	-
Unrealised foreign exchange loss/(gain)	1,716,278	1,334,493
<b>Operating profit before working capital changes</b>	<b>898,567,291</b>	<b>687,601,041</b>
Movement in working capital:		
(Increase) in trade receivables	(33,433,799)	(22,473,381)
(Increase) in inventories	(28,521,751)	(41,721,365)
(Increase) / decrease in loans & advances	29,904,695	(38,892,240)
Increase in liabilities & provisions	10,140,673	194,280,919
Cash generated from operations	876,657,109	778,794,974
Taxes paid (net)	(216,977,633)	(208,119,468)
<b>Net cash from operating activities</b>	<b>659,679,476</b>	<b>570,675,506</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(630,965,477)	(325,488,206)
Proceeds from sale of property, plant and equipment	348,822	1,599,820
Loan to subsidiary company	(2,500,000)	(5,000,000)
Repayment of loan by subsidiary company	-	83,850,000
Interest on loan to subsidiary company	2,482,591	7,747,609
Investment in Bank deposits (having original maturity of more than 3 months)	(1,306,700,000)	(361,300,000)
Maturity of Bank deposits (having original maturity of more than 3 months)	1,464,500,000	123,500,000
Investment in units of Mutual Funds	(885,000,000)	-
Redemption of units of Mutual Funds	894,974,697	-
Interest received	23,048,012	16,312,834
<b>Net cash used in investing activities</b>	<b>(439,811,355)</b>	<b>(458,777,943)</b>
<b>C Cash flows from financing activities</b>		
Payment towards buy back of shares	(500,000,000)	-
Proceeds from short-term borrowings	200,000,000	20,900,000
Repayment of short-term borrowings	(20,900,000)	(13,470,625)
Interest paid	(1,623,580)	(185,058)
Finance lease obligations paid	(10,638,222)	(10,131,640)
Dividends paid	(1,001,908)	-
<b>Net cash used in financing activities</b>	<b>(334,163,710)</b>	<b>(2,887,323)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(114,295,589)</b>	<b>109,010,240</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>135,901,393</b>	<b>26,891,153</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>21,605,804</b>	<b>135,901,393</b>
Components of cash and cash equivalents (Note 17)		
Cash on hand	188,838	157,226
Deposits with original maturity of less than/equal to three months	-	91,100,000
Balances with scheduled banks	21,416,966	44,644,167
<b>Total</b>	<b>21,605,804</b>	<b>135,901,393</b>

Summary of significant accounting policies

2.1

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

As per our report of even date

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

per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382



For and on behalf of the Board of Directors of  
MTR Foods Private Limited

Atle Vidar Johnsen  
Chairman  
DIN: 01361367

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

B.G. Shenoy  
Chief Financial Officer

Aneesh K  
Company Secretary  
Membership no.: 32470

Place : Bengaluru  
Date : September 21, 2017

Place : Bengaluru  
Date : September 21, 2017



**1 Nature of operations**

MTR Foods Private Limited ("the Company" or "MTR") is engaged in the manufacture and sale of ready-to-eat food products, instant food mixes, spices and masalas, vermicelli, snacks, milk based products and beverages. The Company also undertakes trading of certain food products.

**2 Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out, if any. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except as stated in para 2.1(a) below.

**2.1 Summary of significant accounting policies**

**(a) Change in Accounting policy**

**Classification of items of stores and spares**

Consequent to amendment made to Accounting Standard 10 by the Companies (Accounting Standards) Amendment Rules, 2016, the Company has changed its accounting policy in respect of accounting of spare parts.

Pre-revised AS 10 required that stand-by and servicing equipment should normally be capitalized as property, plant and equipment. It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spares parts that can be only used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

According to AS 10 (R), all spare parts, stand-by and servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e. if the company intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per AS 10 (R).

The Company has applied transitional provisions, which requires previously recognized stores and spares as inventory should be capitalized as a PPE at its carrying amount and depreciated prospectively over its remaining useful life. Accordingly, the Company has capitalised spare parts which meet the definition of PPE amounting to Rs. 4,507,507 hitherto classified as inventory as at March 31, 2016 and a depreciation expense of Rs. 4,388,028 has been charged to the statement of profit and loss for the year ended March 31, 2017 on a prospective basis over the remaining useful life of the stores and spares. Accordingly, depreciation for the year ended March 31, 2017 is higher by Rs. 4,388,028 and profit before tax is lower by Rs. 4,388,028.

**(b) Use of estimates**

The preparation of financial statements in conformity with the Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(c) Property, plant and equipment**

Property, plant and equipment, capital work in progress are stated at their historical cost, net of accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and



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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company 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 profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of property, plant and equipment 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 Company identifies and determines cost of a component whose cost is significant to the total cost of the asset having useful life that is materially different from that of the main asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

**(d) Depreciation on property, plant and equipment**

Depreciation is provided on straight line method based on the estimated useful lives of assets as specified below. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Nature of Asset	Useful lives estimated by the management (in years)
Factory Buildings	30
Plant & machinery	7-12
Office equipment/Computers	3
Electrical fittings	10
Furniture & fixtures	10
Vehicles	6

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

Management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II.

Where the estimated useful lives are different from lives prescribed under Schedule II, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience (including number of shifts) and the risk of technological obsolescence.

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

**(e) Intangible assets****Trademark/ Brand/Patents/Technical knowhow**

Intangible assets comprising trademark/ brand/ patents/ technical knowhow acquired are stated at its purchase cost and are amortised over a period of ten years from the date of acquisition.



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**MTR FOODS PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2017**

Computer software held for use in business/administrative purposes. Computer software is amortized over an estimated useful life of three years.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds/net realisable value and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(f) Impairment of property, plant and equipment and intangible assets**

- i) The Company 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 Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- ii) The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.
- iii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iv) An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**(g) Inventories**

Inventories are valued as follows:

Raw materials, packing materials and stores, spares and consumables

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. Stores and spares which do not meet the definition of PPE are accounted as inventories.



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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

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 finished goods includes excise duty. Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present locations and conditions. Cost is determined on a weighted average basis.

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

**(h) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(i) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Sale of goods*

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue is stated net of discounts, trade schemes, sales tax and Value Added Tax (VAT) but inclusive of excise duty. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

*Income from Services*

Revenue from the management services is recognised as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence it is excluded from the revenue.

*Interest*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

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

*Provident Fund*

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the employee renders the related service and the contributions to the government funds are due. The Company has no obligation other than the contribution payable to provident fund authorities.



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*Gratuity*

Gratuity liability is a defined benefit obligation. The Company contributes to a gratuity fund maintained by the Life Insurance Corporation of India. The amount of contribution is determined based upon actuarial valuation as at the year end. Such contributions are charged off to the statement of profit and loss. Provision is made for the shortfall between the actuarial valuation as per Projected Unit Credit Method and the funded balance with the insurance company as at the Balance Sheet date.

*Leave Encashment / compensated absences*

As per Company policy, employees are eligible to encash part of the leave standing to the credit of employees every year and the balance accumulated leave standing to the credit at the time of resignation/retirement subject to terms and conditions. Provision for short-term compensated absences is made on the basis of an estimate of availment of the leave balance to the credit of the employees as at the Balance Sheet date. Long-term compensated absences are provided for based on an actuarial valuation as at Balance Sheet date. The actuarial valuation is done as per the projected unit credit method. The Company presents entire leave as a current liability in the balance sheet, since it doesn't have an unconditional right to defer its settlement for 12 months after the reporting date.

All actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

**(k) Foreign Currency Transactions**

Foreign Currency transactions and balances

*a. Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*b. Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

*c. Exchange differences*

Exchange differences arising on the settlement of monetary items or on reporting of such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expenses in the year in which they arise.

*d. Forward exchange contracts not intended for trading or speculation purposes*

The Company uses forward exchange contracts to hedge its exposure to movements in foreign exchange rates and not for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

*e. Forward exchange contracts for forecasted transactions*

Consistent with the Institute of Chartered Accountants of India Announcement, accounting for derivative contracts on forecasted transactions, other than those covered under AS 11 – The Effects of Changes in Foreign Exchange Rates, are marked to market on a portfolio basis, and the net loss is charged to the statement of profit and loss. Net gains are ignored.

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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

**(l) Government grant and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attached conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to a depreciable asset, such grants are treated as deferred income which is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. The allocation to income is made over the periods and in the proportion in which depreciation on the related assets is charged.

**(m) Income Taxes**

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Where there is unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**(n) Accounting for Leases**

**Where the Company is the lessee**

**i. Finance Leases:**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance



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**MTR FOODS PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2017**

charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

ii. Operating lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(o) Earnings Per Share**

Basic Earnings per Share is calculated by dividing the net Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**(p) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**(q) Contingent liabilities**

A contingent liability is 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 Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**(r) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**(s) Segment reporting policies**

*Identification of segments:*

The Company's operating businesses are organized and managed separately according to the nature of products and services provided. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

*Inter segment transfers:*

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

*Allocation of common costs:*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

*Unallocated items:*

General corporate income and expense items which are not allocated to any business segment.



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**3 Share capital**

**Authorized shares**

50,000,000 (March 31, 2016: 50,000,000) equity shares of Rs. 10 each

**Issued, subscribed and fully paid-up shares**

11,183,000 (March 31, 2016: 13,183,000) equity shares of Rs.10 each fully paid up

**Total issued, subscribed and fully paid-up share capital**

	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
Authorized shares	500,000,000	500,000,000
Issued, subscribed and fully paid-up shares	111,830,000	131,830,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>111,830,000</b>	<b>131,830,000</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity Shares**

At the beginning of the year

Less: Shares bought back during the year (Refer note (e) below)

Outstanding at the end of the year

	As at March 31, 2017		As at March 31, 2016	
	No.	Rs.	No.	Rs.
At the beginning of the year	13,183,000	131,830,000	13,183,000	131,830,000
Less: Shares bought back during the year (Refer note (e) below)	2,000,000	20,000,000	-	-
Outstanding at the end of the year	11,183,000	111,830,000	13,183,000	131,830,000

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

i) The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2016, the Board of Directors approved interim dividend for distribution to equity shareholders of Rs 0.076 per share.

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.

**(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

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

(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company  
11,182,940 (March 31, 2016: 13,182,940) equity shares of Rs. 10 each fully paid up

(ii) Orkla Food Ingredients AS, Norway, Associate Company  
60 (March 31, 2016: 60) equity shares of Rs. 10 each fully paid up

	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company	111,829,400	131,829,400
(ii) Orkla Food Ingredients AS, Norway, Associate Company	600	600

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

**Equity shares of Rs.10 each fully paid**

Orkla Asia Pacific Pte Ltd, Singapore

	As at March 31, 2017		As at March 31, 2016	
	No.	% holding	No.	% holding
Orkla Asia Pacific Pte Ltd, Singapore	11,182,940	99.999%	13,182,940	99.999%

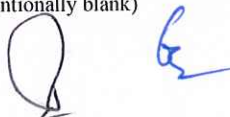
As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**(e) Buy back of equity shares**

In accordance with the approval of the shareholders on February 08, 2017, provisions of Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014, the Company offered to buy-back its equity shares of face value of Rs. 10 each, from the shareholders.

During the year ended March 31, 2017, the Company bought back 2,000,000 equity shares at price of Rs. 250 per share, utilizing a sum of Rs. 500,000,000. The amount paid towards buy-back of shares, in excess of the face value, was appropriated out of Securities premium account, amounting to Rs. 480,000,000. The Company has extinguished the above mentioned shares as on March 31, 2017 and created Capital Redemption Reserve of Rs. 20,000,000 by way of appropriation against Surplus in the Statement of Profit and Loss amounting to Rs. 20,000,000.

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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
<b>4 Reserves and surplus</b>		
<b>Capital Redemption Reserve</b>		
Balance as per the last financial statements	-	-
Add: Amount transferred in relation to buy-back of shares (Refer note 3 (c) above)	20,000,000	-
	<u>20,000,000</u>	<u>-</u>
<b>Securities premium account</b>		
Balance as per the last financial statements	675,499,069	675,499,069
Add: Additions during the year	-	-
Less: amounts utilized for premium on buy-back of shares (Refer note 3(e) above)	480,000,000	-
Securities premium account	<u>195,499,069</u>	<u>675,499,069</u>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	1,133,267,157	791,370,588
Profit for the year	511,895,324	343,102,442
Less: Appropriations		
Transfer to capital redemption reserve (Refer note 3 (c) above)	20,000,000	-
Interim equity dividend [Rs. NIL (March 31, 2016 - Rs. 0.076 per share)]	-	1,001,908
Tax on interim equity dividend	-	203,965
Total appropriations	<u>20,000,000</u>	<u>1,205,873</u>
<b>Net surplus in the statement of profit and loss</b>	<u>1,625,162,481</u>	<u>1,133,267,157</u>
<b>Total reserves and surplus</b>	<u>1,840,661,550</u>	<u>1,808,766,226</u>
<b>5 Deferred government grants</b>		
Deferred government grant (refer note 41)	4,392,322	5,539,562
	<u>4,392,322</u>	<u>5,539,562</u>

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**MTR FOODS PRIVATE LIMITED**  
Notes to financial statements for the year ended March 31, 2017

	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rs.	Rs.	Rs.	Rs.
<b>6 Long-term borrowings</b>	<b>Non-current portion</b>		<b>Current maturities</b>	
Finance lease obligation (secured)	18,150,586	25,429,938	7,279,352	5,852,074
<b>The above amount includes:</b>				
Amount disclosed under the head "other current liabilities"	-	-	(7,279,352)	(5,852,074)
	<b>18,150,586</b>	<b>25,429,938</b>	-	-

Note: The above pertains to the leasehold improvements obtained on a lease from the lessor of the Company's office premises.

**7 Short-term borrowings**

Short-term loans from banks (unsecured)	200,000,000	20,900,000
	<b>200,000,000</b>	<b>20,900,000</b>

The loans comprise of Indian rupee loans of Rs. 200,000,000 (March 31, 2016: Rs. 20,900,000 ) for a duration of less than 1 year and carry interest ranging 6.32% per annum (March 31, 2016: 6.25% per annum).

**8 Other current liabilities**

a Trade payables (refer note 38 for details of dues to micro and small enterprises)		
Total outstanding dues of micro & small enterprises	51,555,839	46,112,121
Total outstanding dues of creditors other than micro & small enterprises	661,917,519	656,796,976
	<b>713,473,358</b>	<b>702,909,097</b>
b Other liabilities		
Interest accrued but not due on borrowings	34,126	-
Current maturities of long term borrowings (finance lease obligation)	7,279,352	5,852,074
Others		
Interest free deposits from customers/ suppliers	3,814,643	4,314,643
Advance from customers	12,535,619	22,711,040
Book overdraft	41,535,900	44,643,624
Payable towards capital creditors	73,589,223	17,774,310
Other statutory dues*	50,516,506	46,612,355
	<b>189,305,369</b>	<b>141,908,046</b>

\* Includes dues towards provident fund, employee state insurance dues, profession tax, withholding taxes, service tax, value added tax, central sales tax.

**9 Provisions**

	Short-term	
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 27)	20,186,712	14,902,000
Provision for leave benefits	30,313,456	29,060,056
	<b>50,500,168</b>	<b>43,962,056</b>
<b>Other provision</b>		
Provision for taxation (net)	70,755,101	41,115,844
Proposed equity dividend	-	1,001,908
Other provision [refer note 32(a)]	114,194,665	114,194,665
	<b>184,949,766</b>	<b>156,312,417</b>
	<b>235,449,934</b>	<b>200,274,473</b>

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**MTR FOODS PRIVATE LIMITED**  
Notes to financial statements for the year ended March 31, 2017

**10.1 Property, plant and equipment**

	Land	Buildings	Leasehold Improvements**	Plant & Machinery	Office Equipment	Electrical Fittings	Furniture & Fixtures	Vehicles	Total
<b>Cost</b>									
At April 1, 2015	444,038,186	383,400,848	58,809,871	970,401,217	42,326,455	52,042,733	38,714,706	6,570,454	1,996,304,470
Additions	-	19,512,380	1,837,001	73,213,420	4,792,584	7,283,518	1,472,038	-	108,110,941
Disposals	-	-	-	(21,195,816)	(1,576,540)	-	-	(1,061,726)	(23,834,082)
Transfer to assets held for sale	-	-	-	(2,514,318)	-	-	-	-	(2,514,318)
At March 31, 2016	444,038,186	402,913,228	60,646,872	1,019,904,503	45,542,499	59,326,251	40,186,744	5,508,728	2,078,067,011
Additions	-	196,949,299	2,172,135	376,255,310	4,873,365	29,153,100	17,205,375	-	626,608,584
Stores and spares transferred from inventory [refer note 2.1 (a)]	-	-	-	4,507,507	-	-	-	-	4,507,507
Disposals	-	-	(4,867,780)	(67,223,748)	-	-	-	(1,006,463)	(73,097,991)
Transfer to assets held for sale	-	-	-	(182,211)	-	-	-	-	(182,211)
At March 31, 2017	444,038,186	599,862,527	57,951,227	1,333,261,361	50,415,864	88,479,351	57,392,119	4,502,265	2,635,902,900
<b>Depreciation</b>									
At April 1, 2015	-	82,155,663	24,899,993	504,149,028	35,675,350	22,524,669	22,505,939	4,575,675	696,486,317
Charge for the year	-	15,119,916	7,265,156	65,331,902	5,015,581	4,756,615	2,433,772	544,455	100,467,397
Disposals	-	-	-	(19,764,528)	(1,576,540)	-	-	(1,061,725)	(22,402,793)
Transfer to assets held for sale	-	-	-	(2,506,520)	-	-	-	-	(2,506,520)
At March 31, 2016	-	97,275,579	32,165,149	547,209,882	39,114,391	27,281,284	24,939,711	4,058,405	772,044,401
Charge for the year	-	17,501,783	7,501,720	87,639,516	4,025,636	6,016,096	2,583,301	460,302	125,728,354
Disposals	-	-	(4,867,780)	(65,201,409)	-	-	-	(1,006,463)	(71,075,652)
Transfer to assets held for sale	-	-	-	(123,810)	-	-	-	-	(123,810)
At March 31, 2017	-	114,777,362	34,799,089	569,524,179	43,140,027	33,297,380	27,523,012	3,512,244	826,573,293
<b>Impairment loss</b>									
At April 1, 2015	-	-	-	99,083,149	-	-	-	-	99,083,149
Charge for the year	-	-	-	-	-	-	-	-	-
At March 31, 2016	-	-	-	99,083,149	-	-	-	-	99,083,149
Charge for the year	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	-	-	99,083,149	-	-	-	-	99,083,149
<b>Net Block</b>									
At March 31, 2016	444,038,186	305,637,649	28,481,723	373,611,472	6,428,108	32,044,967	15,247,033	1,450,323	1,206,939,461
At March 31, 2017	444,038,186	485,085,165	23,152,138	664,654,033	7,275,837	55,181,971	29,869,107	990,021	1,710,246,458

\*\* Leasehold improvements include the following assets obtained under finance lease arrangement:

	31-Mar-17	31-Mar-16
Gross block	39,955,200	39,955,200
Depreciation for the year	6,659,200	6,659,200
Accumulated depreciation	20,810,000	14,150,800
<b>Net book value</b>	<b>19,145,200</b>	<b>25,804,400</b>





**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

**10.2 Intangible assets**

				Rs.
	Patents	Trade mark & brand	Computer software	Total
<b>Cost</b>				
At April 1, 2015	84,000,000	368,423,430	56,519,391	508,942,821
Additions	-	-	6,353,571	6,353,571
Disposals	-	-	-	-
At March 31, 2016	84,000,000	368,423,430	62,872,962	515,296,392
Additions	-	-	6,097,985	6,097,985
Disposals	-	-	-	-
At March 31, 2017	84,000,000	368,423,430	68,970,947	521,394,377
<b>Depreciation</b>				
At April 1, 2015	33,600,000	292,905,652	47,117,264	373,622,916
Charge for the year	16,708,447	37,341,507	6,193,151	60,243,105
Disposals	-	-	-	-
At March 31, 2016	50,308,447	330,247,159	53,310,415	433,866,021
Charge for the year	91,553	37,341,508	5,833,916	43,266,977
Disposals	-	-	-	-
At March 31, 2017	50,400,000	367,588,667	59,144,331	477,132,998
<b>Impairment loss</b>				
At April 1, 2015	-	-	-	-
Charge for the year	33,600,000	-	-	33,600,000
At March 31, 2016	33,600,000	-	-	33,600,000
Charge for the year	-	-	-	-
At March 31, 2017	33,600,000	-	-	33,600,000
<b>Net Block</b>				
At March 31, 2016	91,553	38,176,271	9,562,547	47,830,371
At March 31, 2017	-	834,763	9,826,616	10,661,379

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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
<b>11 Non-current investments</b>		
<b>Trade investments - Long term (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<i>Investment in subsidiary</i>		
50,000 (March 31, 2016: 50,000) Equity shares of Rs. 10 each fully paid-up in Rasoi Magic Foods (India) Pvt. Ltd.	270,702,163	270,702,163
	<u>270,702,163</u>	<u>270,702,163</u>

As at March 31, 2017, Rasoi Magic Foods (India) Private Limited ("Rasoi") has a negative net worth of Rs. 90,844,398 (March 31, 2016: Rs 94,689,130). The management is of the view that Rasoi is of strategic importance to the Company and there is no diminution in the value of the investment. The Company has committed to support Rasoi to fund its operations, as may be required.

**12 Deferred tax asset (net)**

<b>Deferred tax liability</b>		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	51,153,880	30,911,836
<b>Gross deferred tax liability</b>	<u>51,153,880</u>	<u>30,911,836</u>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	56,888,050	33,850,366
Provision for doubtful debts/advances	245,760	3,128,017
Others [refer note 32(a)(i)]	41,814,921	42,164,744
<b>Gross deferred tax asset</b>	<u>98,948,731</u>	<u>79,143,127</u>
<b>Net deferred tax asset</b>	<u>47,794,851</u>	<u>48,231,291</u>

**13 Loans and advances**

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2016 Rs.	As at March 31, 2016 Rs.
	Non-current		Current	
<b>Capital advances</b>				
Unsecured, considered good	49,495,598	116,012,006	-	-
(A)	<u>49,495,598</u>	<u>116,012,006</u>	-	-
<b>Loan to related parties (refer note (a) below)</b>				
Unsecured, considered good	11,650,000	9,150,000	-	-
(B)	<u>11,650,000</u>	<u>9,150,000</u>	-	-
<b>Security deposit</b>				
Unsecured, considered good	51,431,788	53,462,946	-	-
(C)	<u>51,431,788</u>	<u>53,462,946</u>	-	-
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good	-	-	35,751,187	63,906,501
Unsecured, considered doubtful	-	-	444,003	444,003
	-	-	<u>36,195,190</u>	<u>64,350,504</u>
Less: provision for doubtful advances	-	-	444,003	444,003
(D)	-	-	<u>35,751,187</u>	<u>63,906,501</u>
<b>Other loans and advances, Unsecured considered good</b>				
Prepaid expenses	-	-	15,917,232	17,246,571
Loans to employees	-	-	18,563,012	19,586,424
Balances with statutory / government authorities	-	-	6,872,760	6,085,540
(E)	-	-	<u>41,353,004</u>	<u>42,918,535</u>
<b>Total (A+B+C+D+E)</b>	<u>112,577,386</u>	<u>178,624,952</u>	<u>77,104,191</u>	<u>106,825,036</u>

(a) Loans to related parties comprise of loans given to the following subsidiary : (Non current)

(i) Rasoi Magic Foods (India) Private Limited

Maximum amount outstanding during the year

**March 31, 2017**

11,650,000

11,650,000

**March 31, 2016**

9,150,000

93,000,000



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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
<b>14 Current Investments</b>		
<b>Unquoted mutual funds (valued at lower of cost and fair value, unless stated otherwise)</b>		
DSP BlackRock Liquidity Fund	463,171	-
200.264 units (March 31, 2016: NIL) at Rs. 2,312.81 cost per unit (March 31, 2016: NIL) [Market value Rs. 4,65,770 (March 31, 2016: NIL.)]		
	<u>463,171</u>	<u>-</u>
<b>15 Inventories (valued at lower of cost and net realizable value)</b>		
Raw materials	200,131,828	187,769,959
Packing materials	72,190,830	74,123,878
Work-in-progress	15,586,774	16,672,445
Finished goods	207,201,565	201,840,482
Traded goods (including goods-in-transit Rs. 2,343,629 (March 31, 2016: NIL))	38,835,891	16,344,579
Stores, spares and consumables *	35,330,287	44,004,081
	<u>569,277,175</u>	<u>540,755,424</u>
* Refer note 10.1 regarding stores and spares transferred from inventory to Property, plant and equipment		
<b>16 Trade receivables</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	1,545,191	330,156
Doubtful	266,122	8,720,201
	<u>1,811,313</u>	<u>9,050,357</u>
Provision for doubtful receivables	266,122	8,720,201
(A)	<u>1,545,191</u>	<u>330,156</u>
<b>Other receivables</b>		
Unsecured, considered good	173,530,935	144,585,092
Doubtful	-	-
	<u>173,530,935</u>	<u>144,585,092</u>
Provision for doubtful receivables	-	-
(B)	<u>173,530,935</u>	<u>144,585,092</u>
<b>Total (A+B)</b>	<u>175,076,126</u>	<u>144,915,248</u>
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	21,416,966	44,644,167
- Deposits with original maturity of less than/equal to three months	-	91,100,000
Cash on hand	188,838	157,226
	<u>21,605,804</u>	<u>135,901,393</u>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than/equal to 12 months	80,000,000	237,800,000
	<u>101,605,804</u>	<u>373,701,393</u>
<b>18 Other assets</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Property, plant and equipment held for sale	130,732	147,980
Accrued interest on bank deposits	3,176,438	1,190,631
Accrued interest on other deposits	528,604	-
	<u>3,835,774</u>	<u>1,338,611</u>



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	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
<b>19 Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	6,512,620,035	5,910,826,044
Traded goods	420,207,321	430,499,777
	<b>6,932,827,356</b>	<b>6,341,325,821</b>
<b>Other operating revenue</b>		
Scrap sales	9,128,168	16,436,118
Others	17,648,653	8,549,300
	<b>26,776,821</b>	<b>24,985,418</b>
<b>Revenue from operations - Gross</b>	<b>6,959,604,177</b>	<b>6,366,311,239</b>
Less: Excise duty (refer note 37)	57,228,980	46,287,085
<b>Revenue from operations (net)</b>	<b>6,902,375,197</b>	<b>6,320,024,154</b>
<b>Detail of products sold</b>		
<b>Finished goods sold</b>		
Spices and masalas	2,808,304,945	2,560,635,107
Instant foods mixes and ready to eat items	2,670,841,781	2,410,775,040
Vermicelli & Macaroni	536,696,304	472,357,974
Snacks	25,856,140	81,901,061
Beverages	497,331,143	425,485,656
Others	30,887,168	3,829,065
	<b>6,569,917,481</b>	<b>5,954,983,903</b>
Less : Sales returns	(114,526,426)	(90,444,944)
<b>Total</b>	<b>6,455,391,055</b>	<b>5,864,538,959</b>
<b>Traded goods sold</b>		
Pickles & Papads	90,697,525	147,779,182
Spices	52,710,946	2,885,697
Spice mix and masalas	38,938,594	44,328,979
Vermicelli	175,554,195	223,188,736
Snacks	61,868,359	18,532,568
Others	7,731,267	-
	<b>427,500,886</b>	<b>436,715,162</b>
Less : Sales returns	(7,293,565)	(6,215,385)
<b>Total</b>	<b>420,207,321</b>	<b>430,499,777</b>
<b>Net Sales (net of excise duty)</b>	<b>6,875,598,376</b>	<b>6,295,038,736</b>
<b>20 Other income</b>		
<b>Interest Income on</b>		
Loan to subsidiary company	936,926	8,191,118
Bank deposits	24,449,367	17,503,465
Others	1,110,459	-
Gain on account of foreign exchange fluctuations (net)	9,542,811	13,089,774
Profit on sale of investments in units of mutual funds - current	10,465,768	-
Profit on sale of property, plant and equipment (net)	-	168,531
Other non-operating income	10,002,055	8,844,750
	<b>56,507,386</b>	<b>47,797,638</b>
<b>21 Cost of raw materials and packing materials consumed</b>		
<b>a) Raw materials</b>		
Inventory at the beginning of the year	187,769,959	149,717,977
Add: Purchases (net)	2,942,799,204	2,842,217,755
	3,130,569,163	2,991,935,732
Less: Inventory at the end of the year	200,131,828	187,769,959
	<b>2,930,437,335</b>	<b>2,804,165,773</b>
<b>b) Packing materials</b>		
Inventory at the beginning of the year	74,123,878	81,620,530
Add: Purchases (net)	504,460,969	448,612,994
	578,584,847	530,233,524
Less: Inventory at the end of the year	72,190,830	74,123,878
	<b>506,394,017</b>	<b>456,109,646</b>
<b>Total (a+b)</b>	<b>3,436,831,352</b>	<b>3,260,275,419</b>

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	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
<b>Details of raw materials and packing materials consumed</b>		
Spice & spice powders	1,156,275,385	1,100,851,633
Wheat & rice products	842,917,332	783,607,780
Milk and milk solids	328,565,592	295,185,323
Fruits, berries, nuts & seeds and vegetables	325,465,868	367,428,389
Sugar & Chemicals	145,317,464	113,529,206
Vegetable oils	80,392,675	89,342,152
Packing materials (various)	506,394,017	456,109,646
Others	51,503,019	54,221,290
	<b>3,436,831,352</b>	<b>3,260,275,419</b>
<b>Details of Inventory</b>		
Spice & spice powders	59,248,964	80,503,356
Wheat & rice products	12,790,069	12,025,734
Milk and milk solids	96,111,463	68,371,983
Fruits, berries, nuts & seeds and vegetables	21,811,445	16,907,794
Sugar & Chemicals	5,273,241	1,525,463
Vegetable oils	2,717,604	2,674,578
Others	2,179,042	5,761,051
Packing materials (various)	72,190,830	74,123,878
	<b>272,322,658</b>	<b>261,893,837</b>
<b>22 (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods</b>		
<b>Inventories at the beginning of the year</b>		
Traded goods	16,344,579	25,105,520
Work in progress	16,672,445	11,290,108
Finished goods	201,840,482	186,956,733
	<b>234,857,506</b>	<b>223,352,361</b>
<b>Inventories at the end of the year</b>		
Traded goods	38,835,891	16,344,579
Work in progress	15,586,774	16,672,445
Finished goods	207,201,565	201,840,482
	<b>261,624,230</b>	<b>234,857,506</b>
	<b>(26,766,724)</b>	<b>(11,505,145)</b>
<b>Detail of purchase of traded goods</b>		
Pickles and papads	66,152,315	96,649,422
Spices	47,136,948	2,491,600
Spice mix and masalas	27,171,941	27,857,277
Vermicelli and macaroni	128,574,163	132,317,336
Snacks	75,333,795	17,739,311
Others	17,924,333	-
	<b>362,293,495</b>	<b>277,054,946</b>
<b>Detail of inventory of products</b>		
<b>Finished goods</b>		
Instant food mixes & ready to eat items	93,381,970	82,805,363
Spices & masalas	75,847,530	100,201,606
Snacks	-	5,475,106
Vermicelli & Macaroni	16,103,963	8,990,350
Beverages	21,867,653	4,234,849
Others	449	133,208
	<b>207,201,565</b>	<b>201,840,482</b>
<b>Traded goods</b>		
Pickles and papads	4,312,289	6,488,156
Spices	3,517,982	611
Spice mix and masalas	1,623,068	875,804
Vermicelli and macaroni	10,312,529	7,049,880
Snacks	7,140,721	1,930,128
Others	11,929,302	-
	<b>38,835,891</b>	<b>16,344,579</b>
<b>23 Employee benefits expense</b>		
Salaries, wages and bonus	761,901,721	675,883,040
Contribution to provident and other fund	32,090,407	27,718,277
Gratuity (Note 27)	19,971,161	14,458,296
Staff welfare expenses	77,640,595	67,978,848
	<b>891,603,884</b>	<b>786,038,461</b>





**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
<b>24 Other expenses</b>		
Consumption of stores and spares	40,615,949	38,211,763
Excise duty paid (including (increase)/decrease of excise duty on inventory)	35,595,327	35,382,626
Power and fuel	91,073,946	87,759,857
Processing & water charges	7,575,507	7,215,117
Freight and forwarding charges	224,035,285	216,152,167
Rent	58,039,810	54,472,416
Rates and taxes	21,575,941	26,963,018
Insurance	7,435,596	6,105,962
Repairs and maintenance		
Plant and machinery	32,919,013	31,783,595
Buildings	13,800,568	12,206,613
Others	44,303,824	51,657,657
Advertising and sales promotion	517,078,206	533,059,439
Sales commission	63,948,252	61,289,572
Travelling and conveyance	48,731,105	48,958,222
Communication costs	3,887,694	4,224,761
Bad debts written off	108,269	-
Provision for doubtful debts and advances	266,122	318,222
Advance written off	318,892	809,884
Legal and professional fees	64,829,563	55,624,845
Payments to auditors (Refer details below)	4,253,340	3,736,465
Loss on sale of property, plant and equipment (net)	1,673,517	-
CSR Expenses	4,079,182	4,306,454
Miscellaneous expenses	69,713,709	59,008,099
	<b>1,355,858,617</b>	<b>1,339,246,754</b>
<b>Payments to auditors</b>		
As auditor:		
Audit fee	2,761,600	2,462,111
Other services	850,000	700,000
Reimbursement of expenses (including service tax)	641,740	574,354
	<b>4,253,340</b>	<b>3,736,465</b>
<b>25 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	125,728,354	100,467,397
Amortization of intangible assets	43,266,977	60,243,105
	<b>168,995,331</b>	<b>160,710,502</b>
<b>26 Finance costs</b>		
Interest	1,657,706	148,350
Bank charges	4,674,120	4,349,904
Interest on income tax	7,077,572	2,092,227
Finance charge on lease	4,786,148	5,495,480
	<b>18,195,546</b>	<b>12,085,961</b>

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27 Gratuity

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

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

	March 31, 2017 Rs.	March 31, 2016 Rs.
<b>Statement of profit and loss</b>		
<b>a Net employee benefit expense recognized in the employee benefit expense</b>		
Current service cost	9,162,063	8,224,808
Interest cost on benefit obligation	7,861,230	6,729,792
Expected return on plan assets	(6,923,554)	(5,000,365)
Net actuarial (gain) / loss recognized in the year	9,871,422	4,504,061
<b>Net benefit expense</b>	<b>19,971,161</b>	<b>14,458,296</b>
Actual return on plan assets	7,625,609	5,788,346
<b>Balance sheet</b>		
<b>b Benefit asset/ liability</b>		
Present value of defined benefit obligation	126,415,333	101,507,322
Less: Fair value of plan assets	106,228,621	86,605,322
<b>Plan asset / (liability)</b>	<b>(20,186,712)</b>	<b>(14,902,000)</b>
<b>c Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	101,507,322	84,471,288
Current service cost	9,162,063	8,224,808
Interest cost	7,861,230	6,729,792
Benefits paid	(2,688,759)	(3,210,608)
Actuarial (gains) / losses on obligation	10,573,477	5,292,042
<b>Closing defined benefit obligation</b>	<b>126,415,333</b>	<b>101,507,322</b>
<b>d Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	86,605,322	62,371,485
Expected return	6,923,554	5,000,365
Contributions by employer	14,686,449	21,656,099
Benefits paid	(2,688,759)	(3,210,608)
Actuarial gains / (losses)	702,055	787,981
<b>Closing fair value of plan assets</b>	<b>106,228,621</b>	<b>86,605,322</b>

The Company expects to contribute Rs 20,186,712 to gratuity in the next year (March 31, 2016: Rs 14,902,000).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	100%	100%
Investments with insurer	100%	100%

**e The principal assumptions used in determining benefit obligations are below:**

Discount rate	6.80%	7.75%
Expected rate of return on assets	7.50%	8.00%
Attrition Rate	5% -7%	5% -7%

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been change in expected rate of return on assets due to change in the market scenario.

**f Experience adjustment for the current and previous four years are as follows:**

	March 31, 2017 Rs.	March 31, 2016 Rs.	March 31, 2015 Rs.	March 31, 2014 Rs.	March 31, 2013 Rs.
Defined benefit obligation	126,415,333	101,507,322	84,471,288	63,479,208	61,157,966
Plan assets	106,228,621	86,605,322	62,371,485	36,796,868	32,555,219
Surplus / (deficit)	(20,186,712)	(14,902,000)	(22,099,803)	(26,682,340)	(28,602,747)
Experience adjustments on plan liabilities	(244,298)	(3,499,042)	1,985,861	(120,746)	5,984,339
Experience adjustments on plan assets	702,055	787,981	1,319,276	202,681	90,177

The Company has accounted for an actuarial loss of Rs. 9,871,422 for the year ended March 31, 2017 (March 31, 2016: Loss of Rs 4,504,061) on account of change in actuarial assumptions adopted at the current valuation date compared to the previous valuation.



**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

**28 Leases**

**a Operating leases (as a lessee)**

The Company has operating leases for office and other premises that are renewable on a periodic basis for periods extending from 1 to 6 years and cancellable at its option. Future commitments for non-cancellable lease agreements as at March 31, 2017 and March 31, 2016 are as follows:

	March 31, 2017 Rs.	March 31, 2016 Rs.
Lease payments for the year	58,039,810	54,472,416
<b>Minimum Lease Payments:</b>		
Within one year	28,296,049	30,046,379
After one year but not more than five years	38,997,063	69,076,615
More than five years	-	-
<b>Total</b>	<b>67,293,112</b>	<b>99,122,994</b>

**b Finance lease (as a lessee)**

The Company has obtained leasehold improvements at office premises under finance lease arrangement. Future minimum lease payments (MLP) under finance lease together with the present value of the MLP are as follows:

	March 31, 2017		March 31, 2016	
	Minimum payments Rs.	Present value of MLP Rs.	Minimum payments Rs.	Present value of MLP Rs.
Within one year	11,170,133	7,279,352	10,638,222	5,852,074
After one year but not more than five years	22,437,397	18,150,586	33,607,530	25,429,938
More than five years	-	-	-	-
<b>Total minimum lease payments</b>	<b>33,607,530</b>	<b>25,429,938</b>	<b>44,245,752</b>	<b>31,282,012</b>
Less: Amounts representing finance charges	(8,177,592)	-	(12,963,740)	-
<b>Present value of minimum lease payments</b>	<b>25,429,938</b>	<b>25,429,938</b>	<b>31,282,012</b>	<b>31,282,012</b>

**29 Segment reporting**

Identification of segments:

**Business segment:**

The Company is engaged in manufacture and sale of food products and beverages, which in the view of the management falls within a single business segment. Hence, there are no additional disclosures to be provided under AS17 - 'Segment Reporting' as specified under section 133 of the Companies Act, 2013, read with the Companies (Accounting Standards) Amendment Rules, 2016 other than those provided in financial statements.

**Geographical segment:**

Revenue:

	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
India	6,236,036,807	5,731,298,434
United States of America	291,701,879	256,051,573
Others	374,636,511	332,674,147
<b>Revenue from operations</b>	<b>6,902,375,197</b>	<b>6,320,024,154</b>

Assets:

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
India	3,174,942,400	2,923,899,910
United States of America	75,112,804	68,850,106
Others	63,207,915	44,807,326
	<b>3,313,263,119</b>	<b>3,037,557,342</b>

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



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**30 Related Party disclosures**

**i) Names of related parties and related party relationship**

**a Related parties where control exists irrespective of whether transactions have occurred or not**

<b>Name of the Related Party</b>	<b>Nature of relationship</b>
Orkla ASA, Oslo, Norway	Ultimate holding company
Orkla Asia Pacific Pte Ltd, Singapore	Holding company
Rasoi Magic Foods (India) Pvt. Ltd.	Subsidiary

**b Related parties with whom transactions have taken place during the year**

<b>Name of the Entity</b>	<b>Nature of relationship</b>
Orkla ASA, Oslo, Norway	Ultimate holding company
Orkla Asia Pacific Pte Ltd, Singapore	Holding company
Orkla IT AS	Fellow subsidiary
Orkla Foods Norge AS	Fellow subsidiary
Lilleborg AS	Fellow subsidiary
Orkla Confectionary and Snacks	Fellow subsidiary
Rasoi Magic Foods (India) Pvt. Ltd.	Subsidiary
Mr. Sanjay Sharma	Director & Chief Executive Officer
Mr. Ganesh Shenoy	Chief Financial Officer (from May 1, 2016)
Mr. Aneesh K	Company Secretary

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**MTR FOODS PRIVATE LIMITED**  
Notes to financial statements for the year ended March 31, 2017

ii) Related party transactions

a. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Year Ended	Sale of Goods	Other Income	Purchase of Traded /Other Goods	Receipt of Services	Reimbursement to Related parties	Reimbursement from Related parties	Patent Fees	Payment of Dividend	Buy Back of Shares	Interest on Loan	Amount Owed by Related parties	Amount Owed to Related parties
<b>Particulars</b>													
Orkla Asia Pacific Pte Ltd	March 31, 2017	-	-	-	-	-	11,500	-	1,001,908	500,000,000	-	-	-
	March 31, 2016	-	-	-	4,247,875	-	11,450	-	-	-	-	-	-
Orkla ASA	March 31, 2017	-	-	-	24,532,238	3,129,998	11,500	-	-	-	-	-	1,400,464
	March 31, 2016	-	-	-	9,495,129	2,284,658	1,589,532	-	-	-	-	-	1,673,451
<b>Fellow Subsidiaries</b>													
Orkla IT AS	March 31, 2017	-	-	-	-	800,765	-	-	-	-	-	-	-
	March 31, 2016	-	-	-	-	444,421	-	-	-	-	-	-	-
Orkla Foods Norge AS	March 31, 2017	-	-	12,654,759	-	233,513	-	-	-	-	-	-	2,642,663
	March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Lilleborg AS	March 31, 2017	-	-	5,269,574	-	-	-	-	-	-	-	-	3,534,577
	March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Orkla Confectionary and Snacks	March 31, 2017	-	-	-	-	739,003	-	-	-	-	-	-	-
	March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subsidiaries</b>													
Rasoi Magic Foods (India) Private Limited	March 31, 2017	962,902	1,906,253	12,155,851	3,314,610	-	645,730	363,552	-	-	936,926	3,280,531	121,559
	March 31, 2016	489,328	2,556,207	13,062,420	3,682,998	-	875,226	375,113	-	-	8,191,118	8,451,718	417,100

b. Loans Given and Repayment Thereof

Particulars	Year Ended	Opening Balance	Loans Given	Repayment	Loan outstanding	Interest Receivable
<b>Wholly Owned Subsidiary</b>						
Rasoi Magic Foods (India) private Limited	March 31, 2017	9,150,000	2,500,000	-	11,650,000	232,681
	March 31, 2016	88,000,000	5,000,000	83,850,000	9,150,000	1,778,345

c. Remuneration to Key Managerial Personnel

Particulars	March 31, 2017	March 31, 2016
Mr. Sanjay Sharma, CEO & Director Salary & Perquisites	58,245,243	35,624,223
Mr. Ganesh Shenoy, CFO Salary & Perquisites	12,123,215	10,548,975
Mr. Aneesh K, Company Secretary Salary & Perquisites	1,320,201	1,248,045

Note:  
(a) The Company has granted an unsecured loan facility to Rasoi Magic Foods (India) Private Limited at the interest rate prevailing for Government securities, for its principal business activities. The said loan is repayable by January, 2020.

(b) The above disclosures include related parties as per Accounting Standard 18 on "Related Party Disclosures" and Companies Act, 2013.

(c) The remuneration to key management personnel does not include the provisions made for gratuity and leave benefits, as they are obtained on an actuarial basis for the Company as a whole.





**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

**31 Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance)

As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
264,953,884	375,900,770

**32 Contingent liabilities**

- (a) Litigations:
- (i) Indirect taxation ( includes matters pertaining to disputes on central excise, service tax, value added taxes and central sales tax.)
- (ii) Direct taxation (includes disputed amounts on income tax matters under appeal)
- (iii) Other litigations
- Total**

As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
145,758,281	145,882,530
3,996,857	3,996,857
1,000,000	-
<b>150,755,138</b>	<b>149,879,387</b>

In the prior years, the Company had received claims from the VAT authorities for payment of higher VAT for certain products. Accordingly, as a matter of prudence, the Company had made a provision amounting to Rs. 114,194,665 in its books of account towards such differential taxes. As at March 31, 2017 and March 31, 2016, the Company carries a provision of Rs. 114,194,665 in this regard. In the year ended March 31, 2013, the Honourable High Court of Karnataka had adjudicated the matter in favour of the Company. During the previous year, KVAT authorities have filed a Special Leave Petition (SLP) in the Supreme Court which has been admitted by the Supreme Court. Accordingly, management continues to carry the provision as a matter of prudence pending final adjudication of the matter of law before the Supreme Court.

The disputes above include dispute relating to concessional rate of excise duty availed by the Company on manufacture and sale of certain products. The matter is pending before the Appellate authorities. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

In respect of other matters the Company is contesting the demands in respect of various years and the management, including its tax advisors, believes that its position will likely be upheld at various forums where the matters are pending. No expense has been accrued in the financial statements for the demand raised.

- (b) Guarantees
- (i) Guarantees given by banks on behalf of the Company for contractual obligations of the Company.
- (ii) Guarantees given by the Company to the banks on behalf of its suppliers
- The necessary terms and conditions have been complied with and no liabilities have arisen.

17,620,279	15,420,279
104,533,279	218,379,716

**33 Earnings in foreign currency (on accrual basis):**

F.O.B Value of Exports

**Total**

Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
645,022,821	568,953,925
<b>645,022,821</b>	<b>568,953,925</b>

**34 Imported and indigenously raw materials, packing materials and spare parts consumed**

**Raw materials**

Imported

Indigenously obtained

	Year ended March 31, 2017		Year ended March 31, 2016	
Imported	100%	2,930,437,335	100%	2,804,165,773
Indigenously obtained				
<b>Total</b>	<b>100%</b>	<b>2,930,437,335</b>	<b>100%</b>	<b>2,804,165,773</b>

**Packing materials**

Imported

Indigenously obtained

Imported	0.46%	2,337,706	0.59%	2,706,305
Indigenously obtained	99.54%	504,056,311	99.41%	453,403,341
<b>Total</b>	<b>100%</b>	<b>506,394,017</b>	<b>100%</b>	<b>456,109,646</b>

**Spare parts**

Imported

Indigenously obtained

Imported	3.8%	1,529,305	8.4%	3,209,916
Indigenously obtained	96.2%	39,086,644	91.6%	35,001,847
<b>Total</b>	<b>100.0%</b>	<b>40,615,949</b>	<b>100.0%</b>	<b>38,211,763</b>



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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

**35 Expenditure in foreign currency (on accrual basis)**

Legal and professional fees  
Advertisement and sales promotion  
Travelling and conveyance  
Salaries  
Repairs & maintenance  
Staff welfare expenses  
Freight & forwarding charges  
Training & Development  
Others  
Total

Year ended March 31, 2017	Year ended March 31, 2016
Rs.	Rs.
24,532,238	14,759,109
12,496,278	17,366,457
739,003	751,498
-	293,491
800,765	1,409,482
-	805,934
-	162,891
3,129,998	-
695,468	461,610
<b>42,393,750</b>	<b>36,010,472</b>

**36 Value of imports calculated on CIF basis :**

i. Raw materials & packing materials  
ii. Spares and consumables  
iii. Capital goods  
iv. Traded Goods  
Total

Year ended March 31, 2017	Year ended March 31, 2016
Rs.	Rs.
2,175,399	1,432,254
2,262,270	4,042,246
248,991,561	131,038,780
17,924,333	-
<b>271,353,563</b>	<b>136,513,280</b>

**37** Excise duty on sales amounting to Rs. 57,228,980 (2016: Rs. 46,287,085 ) has been reduced from sales in the statement of profit & loss and excise duty on increase/ (decrease) in stock amounting to Rs. (84,974) (2016: Rs. 622,587) has been considered as (income)/expense in note 24 of financials statements.

**38** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

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

Principal amount due to micro and small enterprises  
Interest due on above

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

Principal  
Interest

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

iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and

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

As at March 31, 2017	As at March 31, 2016
Rs.	Rs.
51,555,839	46,112,121
633,896	11,896
152,622,335	81,445,487
-	393,529
3,416,579	299,933
4,050,475	311,829
4,362,304	311,829

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39 Derivative instruments

a) The Company has entered into the following derivative instruments:

The following are the outstanding Forward Exchange Contracts entered into by the Company as on March 31, 2017 in respects of highly probable exports:

Currency	As at	As at
	March 31, 2017	March 31, 2016
US Dollar	425,000	1,974,999
INR	27,051,250	130,843,684

The following are the outstanding Forward Exchange Contracts entered into by the Company as on March 31, 2017 in respect of highly probable imports:

Currency	As at	As at
	March 31, 2017	March 31, 2016
UK Pound	660,000	-
INR	54,483,000	-

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Un-hedged foreign currency exposure

Foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as follows:

Amount receivable / payable in foreign currency on accounting of following:	Currency	Amount in foreign currency		Amount in Rupees	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Receivables	GBP	66,567	23,438	5,280,090	2,229,427
	USD	1,612,829	-	102,623,631	-
	EURO	20,640	-	1,399,600	-
Customer Advances	USD	457	594	29,088	39,347
	EURO	4,809	4,809	326,066	318,661
Advance recoverable (including capital advance)	USD	64,040	602,630	4,076,177	39,930,264
	EURO	167,874	546,939	11,383,503	41,239,216
	NOK	281	-	2,080	-
	AUD	48,496	-	2,364,691	-
	GBP	330,000	-	26,175,000	-
Payables	USD	228,004	38,404	15,043,739	2,539,339
	NOK	524,670	111,615	4,045,208	896,268
	EURO	2,895	2,895	204,308	218,260

40 Certain employees of the Company are entitled to share-based compensation plans of Orkla ASA, Norway (the ultimate Holding Company). The Company has accounted an expense of Rs. NIL (March 31, 2016: Rs. 293,089), pursuant to cross charges raised by the ultimate Holding Company towards the above and this has been charged in the Statement of profit and loss under the head 'Salaries, wages and bonus'.

The Institute of Chartered Accountants of India has issued a Guidance Note on Accounting for Employee Share-based Payments, which is applicable to employee share based payment plans, the grant date in respect of which falls on or after April 1, 2005. The management is of the opinion that the schemes are managed and administered by the ultimate Holding Company for its own benefit and do not have any settlement obligations in respect of issue of shares on the Company. Further the schemes pertain to shares of the ultimate Holding Company and the impact of compensation benefits in respect of such schemes is assessed and accounted for in the books of the ultimate Holding Company, except for the obligation towards expenses cross charged as detailed above. Accordingly, the Company is of the opinion that there is no further accounting treatment/ disclosure required under the said Guidance Note.

41 (a) The Company received in each of the years 2007 and 2008, Rs. 2,500,000 as capital subsidy from the Central Government in respect of the investment in property, plant and equipment made in the Ready to Eat division and this has been disclosed as 'Deferred government grant' in the Balance Sheet. In accordance with AS12 - Accounting for Government Grants notified under the Companies Accounting Standards Rules, 2006, the Company has recognised income amounting to Rs. 132,583 (March 31, 2016: Rs. 345,240) in proportion to the depreciation charged during the year on the related assets.

(b) The Company has accounted Rs.9,131,916 as capital subsidy, during the year ended March 31, 2014, received from the Spice Board under Export Development and Promotion of Spices - "Infrastructure Development" Scheme in respect of the investment in property, plant and equipment made in the Spices division and this has been disclosed as 'Deferred government grant' in the Balance Sheet. In accordance with AS12 - Accounting for Government Grants notified under the Companies Accounting Standards Rules, 2006, the Company has recognised income amounting to Rs. 1,014,657 (March 31, 2016: Rs. 1,014,657) in proportion to the depreciation charged during the year on the related assets.

In respect of this subsidy, the Company shall effect over and above their average export turnover during the period April 2010 to March 2013, an additional export of spices of the value of 10 times the amount of subsidy received, over a period of 5 years from the date of completion of project. If the Company fails to achieve the additional export obligation, the Company shall become liable to repay to the Board the subsidy in proportion to the shortfall in export obligation. In this regard, the Company has provided a bank guarantee to the Spice Board amounting to Rs. 9,131,916 as at March 31, 2017 (March 31, 2016: Rs. 9,131,916). The Company is confident of meeting the export obligation.



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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2017

- 42 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The Company has incurred expenditure on activities which are specified in Schedule VII of the Companies Act 2013, as below.

	March 31, 2017 (Rs.)		March 31, 2016 (Rs.)
(a) Gross amount required to be spent by the Company during the year	7,664,739		4,278,377
(b) Amount spent during the year ending on March 31, 2017	<b>In Cash</b>	<b>Yet to be paid in Cash</b>	<b>Total</b>
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	4,079,182	-	4,079,182
(b) Amount spent during the year ending on March 31, 2016			
(i) Construction/acquisition of any asset		-	-
(ii) On purposes other than (i) above	4,306,454	-	4,306,454

43 **Specified Bank Notes (SBN)**

Vide notification G.S.R 308( E) dated March 31, 2017 issued by the Ministry of Corporate Affairs, the Company is required to disclose details of Specified Bank Notes (SBN) and other denomination held on November 8, 2016 and on December 30, 2016 and dealings between these dates. The Company has maintained the details of SBN's and other denomination and accordingly, the Company has disclosed the information below:

Particulars	SBN's	Other denominations notes	Total
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Closing cash in hand as on November 8, 2016	321,000	93,711	414,711
Add: Permitted receipts	-	2,179,450	2,179,450
Less: Permitted payments	-	686,099	686,099
Less: Amount deposited in banks	321,000	1,457,428	1,778,428
Closing cash in hand as on December 30, 2016	-	129,634	129,634

44 Previous year comparatives

The previous year's figures have been regrouped, where necessary, to conform to current year's classification.

As per our report of even date

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

per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382



Place: Bengaluru  
Date: September 21, 2017

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

Atle Vidar Johnsen  
Chairman  
DIN: 01364367

B.G. Shenoy  
Chief Financial Officer

Place: Bengaluru  
Date: September 21, 2017

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

Anesh K  
Company Secretary  
Membership no.: 32470