

## 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, 2018, 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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, 2018, its profit, and its cash flows for the year ended on that date.



**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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2018;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Standalone 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.

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 25, 2018



**Annexure 1 referred to in our report to the members of MTR Foods Private Limited (“the Company”) for the year ended March 31, 2018. 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, 2018 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 generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services 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, goods and services 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.

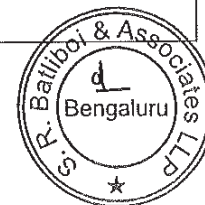


# S.R. BATLIBOI & ASSOCIATES LLP

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(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, goods and services 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	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	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



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- (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.
- (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 25, 2018

**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, 2018 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**

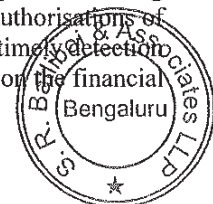
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial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

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

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

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

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



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

Chartered Accountants

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, 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 25, 2018



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

Chartered Accountants

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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

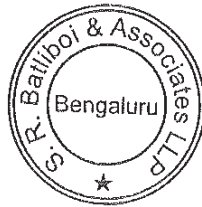
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, 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 25, 2018





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

Chartered Accountants

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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

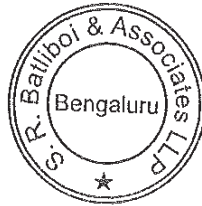
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, 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 25, 2018



**MTR FOODS PRIVATE LIMITED**  
Balance sheet as at March 31, 2018

	Notes	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
<b>Shareholders' funds</b>			
Share capital	3	111,830,000	111,830,000
Reserves and surplus	4	2,321,003,407	1,840,661,550
		<u>2,432,833,407</u>	<u>1,952,491,550</u>
<b>Deferred government grants</b>	5	3,033,151	4,392,322
<b>Non-current liabilities</b>			
Long-term borrowings	6	9,198,986	18,150,586
Deferred tax liability (net)	12	3,400,880	-
Other non-current liabilities	7	1,575,135	4,165,569
		<u>14,175,001</u>	<u>22,316,155</u>
<b>Current liabilities</b>			
Short-term borrowings	8	20,000,000	200,000,000
Trade payables	7		
Total outstanding dues of micro & small enterprises		40,899,295	51,555,839
Total outstanding dues of creditors other than micro & small enterprises		657,305,046	476,982,818
Other current liabilities	7	289,404,342	370,074,501
Short-term provisions	9	188,243,091	235,449,934
		<u>1,195,851,774</u>	<u>1,334,063,092</u>
<b>TOTAL</b>		<u><u>3,645,893,333</u></u>	<u><u>3,313,263,119</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, plant and equipment	10.1	2,109,047,782	1,710,246,458
Intangible assets	10.2	10,507,003	10,661,379
Capital work-in-progress		128,962,161	233,918,641
Non-current investments	11	305,704,263	270,702,163
Deferred tax assets (net)	12	-	47,794,851
Loans and advances	13	79,676,347	112,577,386
		<u>2,633,897,556</u>	<u>2,385,900,878</u>
<b>Current assets</b>			
Current Investments	14	54,322,767	463,171
Inventories	15	632,723,753	569,277,175
Trade receivables	16	181,350,190	175,076,126
Cash and bank balances	17	12,550,160	101,605,804
Loans and advances	13	126,435,035	77,104,191
Other current assets	18	4,613,872	3,835,774
		<u>1,011,995,777</u>	<u>927,362,241</u>
<b>TOTAL</b>		<u><u>3,645,893,333</u></u>	<u><u>3,313,263,119</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



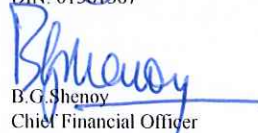
per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382

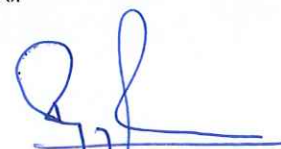


For and on behalf of the board of directors of  
MTR Foods Private Limited



Atle Vidar Johnsen  
Chairman  
DIN: 01361367

  
B.G. Shenoy  
Chief Financial Officer



Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107



Place: Bengaluru  
Date: September 25, 2018

Place: Bengaluru  
Date: September 25, 2018

**MTR FOODS PRIVATE LIMITED**  
**Statement of profit and loss for the year ended March 31, 2018**

	Notes	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
<b>Income</b>			
Revenue from operations (gross)	19	7,036,778,057	6,959,604,177
Less: Excise duty		11,444,243	57,228,980
Revenue from operations (net)		<u>7,025,333,814</u>	<u>6,902,375,197</u>
Other income	20	29,217,640	56,507,386
<b>Total income</b>		<u>7,054,551,454</u>	<u>6,958,882,583</u>
<b>Expenses</b>			
Cost of raw materials and packing materials consumed	21	3,334,299,082	3,436,831,352
Purchase of traded goods		362,474,207	362,293,495
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	22	11,240,361	(26,766,724)
Employee benefits expense	23	843,089,270	891,603,884
Other expenses	24	1,514,783,458	1,355,858,617
Depreciation and amortization expense	25	195,492,231	168,995,331
Finance costs	26	17,254,600	18,195,546
<b>Total expenses</b>		<u>6,278,633,209</u>	<u>6,207,011,501</u>
<b>Profit before exceptional items and tax</b>		<u>775,918,245</u>	<u>751,871,082</u>
Exceptional items	43	23,047,819	-
<b>Profit before tax</b>		<u>752,870,426</u>	<u>751,871,082</u>
<b>Tax expenses</b>			
Current tax		221,332,838	241,110,000
Tax of earlier years		-	(1,570,682)
Deferred tax		51,195,731	436,440
<b>Total tax expense</b>		<u>272,528,569</u>	<u>239,975,758</u>
<b>Profit for the year</b>		<u>480,341,857</u>	<u>511,895,324</u>

Earnings per equity share [nominal value of share Rs. 10 (March 31, 2017: Rs. 10)]

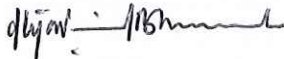
Basic and Diluted	42.95	39.12
Weighted average number of shares used in computing Basic & Diluted earning per share	11,183,000	13,084,370

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

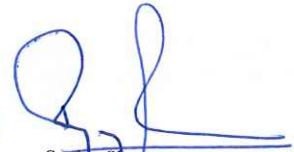


Place: Bengaluru  
 Date: September 25, 2018

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



Place: Bengaluru  
 Date: September 25, 2018

**MTR FOODS PRIVATE LIMITED**

Cash flow statement for the year ended March 31, 2018

	Notes	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
<b>A Cash flows from operating activities</b>			
Profit before tax		752,870,426	751,871,082
<b>Adjustment for:</b>			
Exceptional items		23,047,819	-
Depreciation/ amortization		195,492,231	168,995,331
Capital subsidy recognised		(1,359,171)	(1,147,240)
Interest expense		12,860,721	13,521,426
Profit on sale of investments in units of mutual funds - current		(3,856,999)	(10,465,768)
Interest income on loan to subsidiary company		(1,790,993)	(936,926)
Interest Income - others		(701,600)	(25,559,826)
Loss/ (profit) on sale of property, plant and equipment, net		2,371,427	1,673,517
Bad debts written off		-	108,269
Provision for doubtful debts and advances		-	266,122
Advances written off		-	318,892
Liabilities written back		(35,535)	(1,793,866)
Unrealised foreign exchange loss/(gain)		(2,850,488)	1,716,278
<b>Operating profit before working capital changes</b>		<b>976,047,838</b>	<b>898,567,291</b>
<b>Movement in working capital:</b>			
(Increase) in trade receivables		(3,892,924)	(33,433,799)
(Increase) in inventories		(63,446,578)	(28,521,751)
(Increase) / decrease in loans & advances		(55,723,609)	29,904,695
Increase in liabilities & provisions		120,170,840	10,140,673
Cash generated from operations		973,155,567	876,657,109
Taxes paid (net)		(260,519,998)	(216,977,633)
<b>Net cash from operating activities</b>		<b>712,635,569</b>	<b>659,679,476</b>
<b>B Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(532,520,633)	(630,965,477)
Proceeds from sale of property, plant and equipment		1,709,615	348,822
Loan to subsidiary company		(85,000,000)	(2,500,000)
Repayment of loan by subsidiary company		91,650,000	-
Interest on loan to subsidiary company		1,946,003	2,482,591
Investment in equity shares of associate		(35,002,100)	-
Investment in Bank deposits (having original maturity of more than 3 months)		-	(1,306,700,000)
Maturity of Bank deposits (having original maturity of more than 3 months)		80,000,000	1,464,500,000
Investment in units of Mutual Funds		(1,040,000,000)	(885,000,000)
Redemption of units of Mutual Funds		989,997,407	894,974,697
Interest received		3,571,997	23,048,012
<b>Net cash used in investing activities</b>		<b>(523,647,711)</b>	<b>(439,811,355)</b>
<b>C Cash flows from financing activities</b>			
Payment towards buy back of shares		-	(500,000,000)
Proceeds from short-term borrowings		165,500,000	200,000,000
Repayment of short-term borrowings		(345,500,000)	(20,900,000)
Interest paid		(6,873,369)	(1,623,580)
Finance lease obligations paid		(11,170,133)	(10,638,222)
Dividends paid		-	(1,001,908)
<b>Net cash used in financing activities</b>		<b>(198,043,502)</b>	<b>(334,163,710)</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(9,055,644)</b>	<b>(114,295,589)</b>
Cash and cash equivalents at the beginning of the year		21,605,804	135,901,393
<b>Cash and cash equivalents at the end of the year</b>		<b>12,550,160</b>	<b>21,605,804</b>



**MTR FOODS PRIVATE LIMITED**  
**Cash flow statement for the year ended March 31, 2018**

	Notes	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
Components of cash and cash equivalents (Note 17)			
Cash on hand		190,327	188,838
Balances with scheduled banks		12,359,833	21,416,966
<b>Total</b>		<b>12,550,160</b>	<b>21,605,804</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

*Aditya Vikram Bhauwala*

per Aditya Vikram Bhauwala  
 Partner  
 Membership no.: 208382



Place : Bengaluru  
 Date : September 25, 2018

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

*Atle Vidar Johnsen*      *Sanjay Sharma*  
 Atle Vidar Johnsen      Sanjay Sharma  
 Chairman      Director & Chief Executive Officer  
 DIN: 01301367      DIN: 02581107

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



Place : Bengaluru  
 Date : September 25, 2018

## MTR FOODS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2018

### 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, confectionery and beverages. The Company also undertakes trading of certain food products such as snacks, spices, spice mix, pickles and papads.

### 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 (AS), notified under section 133 of the Companies Act, 2013 ("the Act"), read together with Companies (Accounting Standards) Rules, 2006 (as amended) and the Companies (Accounts) Rules, 2014. 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 consolidated financial statements have been consistently applied by the Company and are consistent with those of previous year.

#### 2.1 Summary of significant accounting policies

##### (a) 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.

##### (b) 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 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.

##### (c) 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.



**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2018

Nature of Asset	Useful lives estimated by the management (in years)
Factory Buildings	30
Plant & machinery	5-12
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.

**(d) 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.

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.

**(e) 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.



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**MTR FOODS PRIVATE LIMITED**  
**Notes to financial statements for the year ended March 31, 2018**

- 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.

**(f) 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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Work in progress & finished goods including traded goods	Lower of cost and net realizable value. Cost of Work in progress and finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
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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.

**(g) 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.

**(h) Revenue Recognition**

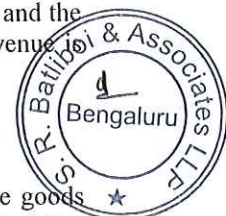
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*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



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**MTR FOODS PRIVATE LIMITED**  
**Notes to financial statements for the year ended March 31, 2018**

(VAT), goods and services tax 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 / goods and 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.

**(i) 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.

*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.

**(j) Foreign Currency Transactions**

Foreign Currency transactions and balances

*a. Initial recognition*

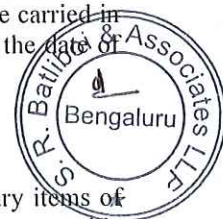
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*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.

**(k) 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.

**(l) 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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



**MTR FOODS PRIVATE LIMITED**  
**Notes to financial statements for the year ended March 31, 2018**

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.

**(m) 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 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.

**(n) 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.

**(o) 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.

**(p) 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 or 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.

**(q) 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.

**(r) 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 parties at current market prices.



*G*



**MTR FOODS PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2018**

*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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MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

3 Share capital

Authorized shares

50,000,000 (March 31, 2017: 50,000,000) equity shares of Rs. 10 each

As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
--------------------------------	--------------------------------

500,000,000 500,000,000

Issued, subscribed and fully paid-up shares

11,183,000 (March 31, 2017: 11,183,000) equity shares of Rs.10 each fully paid up

111,830,000 111,830,000

Total issued, subscribed and fully paid-up share capital

111,830,000 111,830,000

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

Equity Shares

	As at March 31, 2018		As at March 31, 2017	
	No.	Rs.	No.	Rs.
At the beginning of the year	11,183,000	111,830,000	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	11,183,000	111,830,000

(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.

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:

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company 11,182,940 (March 31, 2017: 11,182,940) equity shares of Rs. 10 each fully paid up	111,829,400	111,829,400
(ii) Orkla Food Ingredients AS, Norway, Associate Company 60 (March 31, 2017: 60) equity shares of Rs. 10 each fully paid up	600	600

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

	As at March 31, 2018		As at March 31, 2017	
	No.	% holding	No.	% holding
Equity shares of Rs.10 each fully paid Orkla Asia Pacific Pte Ltd, Singapore	11,182,940	99.999%	11,182,940	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) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2018 No.	As at March 31, 2017 No.
Equity shares bought back by the Company	2,000,000	2,000,000

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 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, 2018**

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
<b>4 Reserves and surplus</b>		
<b>Capital Redemption Reserve</b>		
Balance as per the last financial statements	20,000,000	-
Add: Amount transferred in relation to buy-back of shares (Refer note 3 (e) above)	-	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
<b>Securities premium account</b>		
Balance as per the last financial statements	195,499,069	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
	<u>195,499,069</u>	<u>195,499,069</u>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	1,625,162,481	1,133,267,157
Profit for the year	480,341,857	511,895,324
Less: Appropriations		
Transfer to capital redemption reserve (Refer note 3 (e) above)	-	20,000,000
Total appropriations	-	20,000,000
	<u>2,105,504,338</u>	<u>1,625,162,481</u>
<b>Net surplus in the statement of profit and loss</b>	<u>2,105,504,338</u>	<u>1,625,162,481</u>
<b>Total reserves and surplus</b>	<u>2,321,003,407</u>	<u>1,840,661,550</u>
<b>5 Deferred government grants</b>		
Deferred government grant (refer note 41)	3,033,151	4,392,322
	<u>3,033,151</u>	<u>4,392,322</u>

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**MTR FOODS PRIVATE LIMITED**  
Notes to financial statements for the year ended March 31, 2018

	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.
<b>6 Long-term borrowings</b>				
			<b>Non-current portion</b>	<b>Current maturities</b>
Finance lease obligation (secured)	9,198,986	18,150,586	8,951,600	7,279,352
Amount disclosed under the head "other current liabilities"	-	-	(8,951,600)	(7,279,352)
	<b>9,198,986</b>	<b>18,150,586</b>	-	-

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

	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.
<b>7 Other Liabilities</b>				
			<b>Non-Current</b>	<b>Current</b>
a Trade payables (refer note 38 for details of dues to micro and small enterprises)				
Total outstanding dues of micro & small enterprises	-	-	40,899,295	51,555,839
Total outstanding dues of creditors other than micro & small enterprises	-	-	657,305,046	476,982,818
	-	-	<b>698,204,341</b>	<b>528,538,657</b>
b Other liabilities				
Interest accrued but not due on borrowings	-	-	-	34,126
Current maturities of long term borrowings (finance lease obligation)	-	-	8,951,600	7,279,352
Others				
Interest free deposits from customers/ suppliers	-	-	3,539,642	3,814,643
Advance from customers	-	-	22,599,170	12,535,619
Book overdraft	-	-	34,995,614	41,535,900
Payable towards capital creditors	-	-	28,539,854	73,589,223
Deferred rent	1,575,135	4,165,569	2,846,197	991,278
Payables to employees	-	-	163,788,525	179,777,854
Other statutory dues*	-	-	24,143,740	50,516,506
	<b>1,575,135</b>	<b>4,165,569</b>	<b>289,404,342</b>	<b>370,074,501</b>

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

**8 Short-term borrowings**

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

The loans comprise of Indian Rupee loans of Rs. 20,000,000 (March 31, 2017: Rs. 200,000,000 ) for a duration of less than 1 year and carry interest ranging 8% per annum (March 31, 2017: 6.32% per annum).

**9 Provisions**

	Short-term	
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 27)	5,885,091	20,186,712
Provision for leave benefits	34,464,697	30,313,456
	<b>40,349,788</b>	<b>50,500,168</b>
<b>Other provision</b>		
Provision for taxation (net)	33,698,638	70,755,101
Other provision [refer note 32(a)]	114,194,665	114,194,665
	<b>147,893,303</b>	<b>184,949,766</b>
	<b>188,243,091</b>	<b>235,449,934</b>



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MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

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, 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	-	-	-	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)
<b>At March 31, 2017</b>	<b>444,038,186</b>	<b>599,862,527</b>	<b>57,951,227</b>	<b>1,333,261,361</b>	<b>50,415,864</b>	<b>88,479,351</b>	<b>57,392,119</b>	<b>4,502,265</b>	<b>2,635,902,900</b>
Additions	-	95,304,754	147,499	470,682,832	4,101,033	21,623,292	25,883,937	-	617,743,347
Disposals	-	(9,130,539)	(17,118)	(49,398,179)	(4,629,338)	(8,268,544)	(499,528)	-	(71,943,246)
Transfer to assets held for sale	-	-	-	(11,376,452)	-	-	-	-	(11,376,452)
<b>At March 31, 2018</b>	<b>444,038,186</b>	<b>686,036,742</b>	<b>58,081,608</b>	<b>1,743,169,562</b>	<b>49,887,559</b>	<b>101,834,099</b>	<b>82,776,528</b>	<b>4,502,265</b>	<b>3,170,326,549</b>
<b>Depreciation</b>									
At April 1, 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)
<b>At March 31, 2017</b>	<b>-</b>	<b>114,777,362</b>	<b>34,799,089</b>	<b>569,524,179</b>	<b>43,140,027</b>	<b>33,297,380</b>	<b>27,523,012</b>	<b>3,512,244</b>	<b>826,573,293</b>
Charge for the year	-	27,068,621	8,182,259	132,995,539	4,101,143	9,566,071	6,185,263	457,995	188,556,891
Disposals	-	(603,191)	(16,362)	(34,292,389)	(4,623,537)	(4,818,155)	(460,751)	-	(44,814,385)
Transfer to assets held for sale	-	-	-	(8,120,181)	-	-	-	-	(8,120,181)
<b>At March 31, 2018</b>	<b>-</b>	<b>141,242,792</b>	<b>42,964,986</b>	<b>660,107,148</b>	<b>42,617,633</b>	<b>38,045,296</b>	<b>33,247,524</b>	<b>3,970,239</b>	<b>962,195,618</b>
<b>Impairment loss</b>									
At April 1, 2016	-	-	-	99,083,149	-	-	-	-	99,083,149
Charge for the year	-	-	-	-	-	-	-	-	-
<b>At March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,083,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,083,149</b>
Charge for the year	-	-	-	-	-	-	-	-	-
<b>At March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,083,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,083,149</b>
<b>Net Block</b>									
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
At March 31, 2018	444,038,186	544,793,950	15,116,622	983,979,265	7,269,926	63,788,803	49,529,004	532,026	2,109,047,782

\* Title deed pertaining to land (Plot 88), with a cost of Rs 45,954,039 originally acquired on lease cum sale basis from Karnataka Industrial Areas Development Board (KIADB) is pending registration in the name of the Company. The Company has made an application to KIADB for execution of absolute sale deed in its favour, which is currently pending with KIADB.

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

	31-Mar-18	31-Mar-17
Gross block	39,955,200	39,955,200
Depreciation for the year	6,659,200	6,659,200
Accumulated depreciation	27,469,200	20,810,000
<b>Net book value</b>	<b>12,486,000</b>	<b>19,145,200</b>



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**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2018

**10.2 Intangible assets**

				Rs.
	Patents	Trade mark & brand	Computer software	Total
<b>Cost</b>				
At April 1, 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
Additions	-	-	6,780,964	6,780,964
Disposals	-	-	-	-
At March 31, 2018	84,000,000	368,423,430	75,751,911	528,175,341
<b>Depreciation</b>				
At April 1, 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
Charge for the year	-	834,763	6,100,577	6,935,340
Disposals	-	-	-	-
At March 31, 2018	50,400,000	368,423,430	65,244,908	484,068,338
<b>Impairment loss</b>				
At April 1, 2016	33,600,000	-	-	33,600,000
Charge for the year	-	-	-	-
At March 31, 2017	33,600,000	-	-	33,600,000
Charge for the year	-	-	-	-
At March 31, 2018	33,600,000	-	-	33,600,000
<b>Net Block</b>				
At March 31, 2017	-	834,763	9,826,616	10,661,379
At March 31, 2018	-	-	10,507,003	10,507,003

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MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

	As at March 31, 2018 Rs.	As at March 31, 2017 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, 2017: 50,000) Equity shares of Rs. 10 each fully paid-up in Rasoi Magic Foods (India) Pvt. Ltd.	270,702,163	270,702,163
<i>Investment in associate</i>		
8,065 (March 31, 2017: NIL) Equity shares of Rs.10 each fully paid-up in Firmroots Private Limited	35,002,100	-
	<b>305,704,263</b>	<b>270,702,163</b>

As at March 31, 2018, Rasoi Magic Foods (India) Private Limited ("Rasoi") has a negative net worth of Rs. 83,561,276 (March 31, 2017: Rs 90,844,398). 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.

<b>12 Deferred tax asset / liability (net)</b>		
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	90,733,422	51,153,880
<b>Gross deferred tax liability</b>	<b>90,733,422</b>	<b>51,153,880</b>
<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	46,034,420	56,888,050
Provision for doubtful debts/advances	245,760	245,760
Others [refer note 32(a)(i)]	41,052,362	41,814,921
<b>Gross deferred tax asset</b>	<b>87,332,542</b>	<b>98,948,731</b>
<b>Net deferred tax asset/(liability)</b>	<b>(3,400,880)</b>	<b>47,794,851</b>

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
	Non-current		Current	
<b>13 Loans and advances</b>				
<b>Capital advances</b>				
Unsecured, considered good	17,399,031	49,495,598	-	-
(A)	17,399,031	49,495,598	-	-
<b>Loan to related parties (refer note (a) below)</b>				
Unsecured, considered good	5,000,000	11,650,000	-	-
(B)	5,000,000	11,650,000	-	-
<b>Security deposit</b>				
Unsecured, considered good	57,277,316	51,431,788	2,000,000	-
(C)	57,277,316	51,431,788	2,000,000	-
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good	-	-	36,163,690	35,751,187
Unsecured, considered doubtful	-	-	444,003	444,003
	-	-	36,607,693	36,195,190
Less: provision for doubtful advances	-	-	444,003	444,003
(D)	-	-	36,163,690	35,751,187
<b>Other loans and advances, Unsecured considered good</b>				
Prepaid expenses	-	-	23,005,870	15,917,232
Loans to employees	-	-	23,475,737	18,563,012
Balances with statutory / government authorities	-	-	41,789,738	6,872,760
(E)	-	-	88,271,345	41,353,004
<b>Total (A+B+C+D+E)</b>	<b>79,676,347</b>	<b>112,577,386</b>	<b>126,435,035</b>	<b>77,104,191</b>

(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 31,2018**  
5,000,000  
96,650,000

**March 31,2017**  
11,650,000  
11,650,000



MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

	As at March 31, 2018 Rs.	As at March 31, 2017 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 1723.629 units (March 31, 2017: 200.264 units) at Rs. 2,470.38 cost per unit (March 31, 2017: Rs. 2,312.81) [Market value Rs. 4,283,770 (March 31, 2017: Rs. 4,65,770 )]	4,258,020	463,171
Adiya Birla Sun Life Cash Plus Fund 179,517.588 units (March 31, 2017: NIL) at Rs.278.89 cost per unit (March 31, 2017: NIL) [Market value Rs. 50,141,883 (March 31, 2017: NIL)]	50,064,747	-
	<b>54,322,767</b>	<b>463,171</b>
<b>15 Inventories (valued at lower of cost and net realizable value)</b>		
Raw materials	260,199,068	200,131,828
Packing materials	82,441,954	72,190,830
Work-in-progress	14,482,890	15,586,774
Finished goods	211,584,407	207,201,565
Traded goods (including goods-in-transit Rs. NIL ( March 31, 2017: Rs. 2,343,629))	24,316,572	38,835,891
Stores, spares and consumables	39,698,862	35,330,287
	<b>632,723,753</b>	<b>569,277,175</b>
<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	2,789,810	1,545,191
Doubtful	266,122	266,122
	<b>3,055,932</b>	<b>1,811,313</b>
Provision for doubtful receivables	266,122	266,122
	<b>(A) 2,789,810</b>	<b>1,545,191</b>
<b>Other receivables</b>		
Unsecured, considered good	178,560,380	173,530,935
Doubtful	-	-
	<b>178,560,380</b>	<b>173,530,935</b>
Provision for doubtful receivables	-	-
	<b>(B) 178,560,380</b>	<b>173,530,935</b>
<b>Total (A+B)</b>	<b>181,350,190</b>	<b>175,076,126</b>
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	12,359,833	21,416,966
Cash on hand	190,327	188,838
	<b>12,550,160</b>	<b>21,605,804</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than/equal to 12 months	-	80,000,000
	<b>12,550,160</b>	<b>101,605,804</b>
<b>18 Other assets</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Property, plant and equipment held for sale	3,387,000	130,732
Accrued interest on bank deposits	-	3,176,438
Accrued interest on other deposits	679,635	528,604
Other receivables	547,237	-
	<b>4,613,872</b>	<b>3,835,774</b>

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MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
<b>19 Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	6,526,612,733	6,481,732,867
Traded goods	484,672,533	451,094,489
	<u>7,011,285,266</u>	<u>6,932,827,356</u>
<b>Other operating revenue</b>		
Scrap sales	7,293,844	9,128,168
Others	18,198,947	17,648,653
	<u>25,492,791</u>	<u>26,776,821</u>
<b>Revenue from operations - Gross *</b>	<u>7,036,778,057</u>	<u>6,959,604,177</u>
Less: Excise duty (refer note 37) *	11,444,243	57,228,980
<b>Revenue from operations (net)</b>	<u><u>7,025,333,814</u></u>	<u><u>6,902,375,197</u></u>
* Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, excise duty have been replaced by GST. In accordance with Accounting Standard - 9 on Revenue Recognition and Schedule III of the Companies Act, 2013, GST are excluded from Gross Revenue from sale of products for the applicable periods. Due to the aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and Excise duty for the year ended 31st March, 2018 is not comparable with the previous year.		
<b>Detail of products sold</b>		
<b>Finished goods sold</b>		
Spices & masalas	2,902,551,020	2,808,304,945
Instant foods mixes & ready to eat items	2,563,651,077	2,670,841,781
Vermicelli & Macaroni	635,189,980	536,696,304
Snacks	-	25,856,140
Beverages	498,176,388	497,331,143
Confectionery	54,599,309	-
	<u>6,654,167,774</u>	<u>6,539,030,313</u>
Less : Sales returns	(138,999,284)	(114,526,426)
<b>Total</b>	<u><u>6,515,168,490</u></u>	<u><u>6,424,503,887</u></u>
<b>Traded goods sold</b>		
Pickles & Papads	86,248,440	107,271,534
Spices	195,367,065	54,570,170
Spice mix & masalas	39,363,294	38,938,594
Vermicelli & Macaroni	126,099,928	188,008,130
Snacks	49,859,168	61,868,359
Others	4,315,245	7,731,267
	<u>501,253,140</u>	<u>458,388,054</u>
Less : Sales returns	(16,580,607)	(7,293,565)
<b>Total</b>	<u><u>484,672,533</u></u>	<u><u>451,094,489</u></u>
<b>Net Sales (net of excise duty)</b>	<u><u>6,999,841,023</u></u>	<u><u>6,875,598,376</u></u>
<b>20 Other income</b>		
<b>Interest Income on</b>		
Loan to subsidiary company	1,790,993	936,926
Bank deposits	128,455	24,449,367
Others	573,145	1,110,459
Gain on account of foreign exchange fluctuations (net)	17,047,922	9,542,811
Profit on sale of investments in units of mutual funds - current	3,856,999	10,465,768
Other non-operating income	5,820,126	10,002,055
	<u>29,217,640</u>	<u>56,507,386</u>
<b>21 Cost of raw materials and packing materials consumed</b>		
<b>a) Raw materials</b>		
Inventory at the beginning of the year	200,131,828	187,769,959
Add: Purchases (net)	2,869,678,334	2,942,799,204
	<u>3,069,810,162</u>	<u>3,130,569,163</u>
Less: Inventory at the end of the year	260,199,068	200,131,828
	<u><u>2,809,611,094</u></u>	<u><u>2,930,437,335</u></u>
<b>b) Packing materials</b>		
Inventory at the beginning of the year	72,190,830	74,123,878
Add: Purchases (net)	534,939,112	504,460,969
	<u>607,129,942</u>	<u>578,584,847</u>
Less: Inventory at the end of the year	82,441,954	72,190,830
	<u><u>524,687,988</u></u>	<u><u>506,394,017</u></u>
<b>Total (a+b)</b>	<u><u>3,334,299,082</u></u>	<u><u>3,436,831,352</u></u>



MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
<b>Details of raw materials and packing materials consumed</b>		
Spice & spice powders	1,133,653,557	1,271,729,976
Wheat & rice products	736,005,680	842,917,332
Milk & milk solids	345,793,408	338,074,672
Fruits, berries, nuts & seeds & vegetables	309,678,460	258,380,827
Sugar & Chemicals	213,963,337	145,317,464
Vegetable oils	65,778,037	70,883,595
Packing materials (various)	524,687,988	506,394,017
Others	4,738,615	3,133,469
	<b>3,334,299,082</b>	<b>3,436,831,352</b>
<b>Details of Inventory</b>		
Spice & spice powders	58,465,894	59,248,964
Wheat & rice products	9,912,074	12,790,069
Milk & milk solids	142,722,287	96,111,463
Fruits, berries, nuts & seeds & vegetables	18,061,396	21,811,445
Sugar & Chemicals	28,706,819	5,273,241
Vegetable oils	1,945,882	2,717,604
Others	384,716	2,179,042
Packing materials (various)	82,441,954	72,190,830
	<b>342,641,022</b>	<b>272,322,658</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	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>Inventories at the end of the year</b>		
Traded goods	24,316,572	38,835,891
Work in progress	14,482,890	15,586,774
Finished goods	211,584,407	207,201,565
	<b>250,383,869</b>	<b>261,624,230</b>
	<b>11,240,361</b>	<b>(26,766,724)</b>
<b>Detail of purchase of traded goods</b>		
Pickles & papads	50,881,443	66,152,315
Spices	162,803,041	47,136,948
Spice mix & masalas	26,384,113	27,171,941
Vermicelli & macaroni	68,483,400	128,574,163
Snacks	44,474,820	75,333,795
Others	9,447,390	17,924,333
	<b>362,474,207</b>	<b>362,293,495</b>
<b>Detail of inventory of products</b>		
<b>Finished goods</b>		
Instant food mixes & ready to eat items	53,625,269	93,381,970
Spices & masalas	112,552,315	75,847,530
Vermicelli & Macaroni	27,061,614	16,103,963
Beverages	13,478,330	21,867,653
Confectionery	4,866,879	-
Others	-	449
	<b>211,584,407</b>	<b>207,201,565</b>
<b>Traded goods</b>		
Pickles & papads	2,571,007	4,312,289
Spices	6,988,337	3,517,982
Spice mix & masalas	1,001,560	1,623,068
Vermicelli & macaroni	3,762,453	10,312,529
Snacks	2,576,218	7,140,721
Others	7,416,997	11,929,302
	<b>24,316,572</b>	<b>38,835,891</b>
<b>23 Employee benefits expense</b>		
Salaries, wages and bonus	722,520,205	761,901,721
Contribution to provident and other fund	32,756,755	32,090,407
Gratuity (Note 27)	5,509,214	19,971,161
Staff welfare expenses	82,303,096	77,640,595
	<b>843,089,270</b>	<b>891,603,884</b>



**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2018

	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
<b>24 Other expenses</b>		
Consumption of stores and spares	31,460,611	40,615,949
Excise duty paid (including (increase)/decrease of excise duty on inventory)	5,737,607	35,595,327
Power and fuel	120,700,480	91,073,946
Processing & water charges	11,563,694	7,575,507
Freight and forwarding charges	219,747,620	224,035,285
Rent	52,792,491	58,039,810
Rates and taxes	3,854,975	21,575,941
Insurance	6,987,837	7,435,596
Repairs and maintenance		
Plant and machinery	34,097,355	32,919,013
Buildings	23,932,479	13,800,568
Others	56,694,202	44,303,824
Advertising and sales promotion	677,106,677	517,078,206
Sales commission	59,045,839	63,948,252
Travelling and conveyance	47,611,958	48,731,105
Communication costs	2,808,883	3,887,694
Bad debts written off	-	108,269
Provision for doubtful debts and advances	-	266,122
Advance written off	-	318,892
Legal and professional fees	82,993,719	64,829,563
Payments to auditors (Refer details below)	3,994,054	4,253,340
Loss on sale of property, plant and equipment (net)	2,371,427	1,673,517
CSR expenses	7,358,353	4,079,182
Miscellaneous expenses	63,923,197	69,713,709
	<b>1,514,783,458</b>	<b>1,355,858,617</b>
<b>Payments to auditors</b>		
As auditor:		
Statutory audit fee	3,095,257	2,761,600
In other capacity:		
Other audit services	575,000	575,000
Certification services	115,000	275,000
Reimbursement of expenses (including service tax)	208,797	641,740
	<b>3,994,054</b>	<b>4,253,340</b>
<b>25 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	188,556,891	125,728,354
Amortization of intangible assets	6,935,340	43,266,977
	<b>195,492,231</b>	<b>168,995,331</b>
<b>26 Finance costs</b>		
Interest	6,839,243	1,657,706
Bank charges	4,393,879	4,674,120
Interest on income tax	2,130,697	7,077,572
Finance charge on lease	3,890,781	4,786,148
	<b>17,254,600</b>	<b>18,195,546</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, 2018 Rs.	March 31, 2017 Rs.
<b>Statement of profit and loss</b>		
<b>a Net employee benefit expense recognized in the employee benefit expense</b>		
Current service cost	10,173,725	9,162,063
Recognised past service cost (Refer Note (i) below)	5,551,750	-
Interest cost on benefit obligation	8,590,163	7,861,230
Expected return on plan assets	(7,961,493)	(6,923,554)
Net actuarial (gain) / loss recognized in the year	(10,844,931)	9,871,422
<b>Net benefit expense</b>	<b>5,509,214</b>	<b>19,971,161</b>
Actual return on plan assets	8,642,255	7,625,609
<b>Balance sheet</b>		
<b>b Benefit asset/ liability</b>		
Present value of defined benefit obligation	136,046,460	126,415,333
Less: Fair value of plan assets	130,128,236	106,228,621
Unrecognised Past Service Cost	33,133	-
<b>Plan asset / (liability)</b>	<b>(5,885,091)</b>	<b>(20,186,712)</b>
<b>c Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	126,415,333	101,507,322
Recognised past service cost (Refer Note (i) below)	5,551,750	-
Unrecognised past service cost	33,133	-
Current service cost	10,173,725	9,162,063
Interest cost	8,590,163	7,861,230
Benefits paid	(4,553,475)	(2,688,759)
Actuarial (gains) / losses on obligation	(10,164,169)	10,573,477
<b>Closing defined benefit obligation</b>	<b>136,046,460</b>	<b>126,415,333</b>
<b>d Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	106,228,621	86,605,322
Expected return	7,961,493	6,923,554
Contributions by employer	19,810,835	14,686,449
Benefits paid	(4,553,475)	(2,688,759)
Actuarial gains / (losses)	680,762	702,055
<b>Closing fair value of plan assets</b>	<b>130,128,236</b>	<b>106,228,621</b>

The Company expects to contribute Rs 5,885,091 to gratuity in the next year (March 31, 2017: Rs 20,186,712).

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		
<b>e The principal assumptions used in determining benefit obligations are below:</b>		
Discount rate	7.50%	6.80%
Expected rate of return on assets	7.70%	7.50%
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.

(i) The past service cost for the year ended March 31, 2018 pertains to increase in benefit cost due to increase in limit of gratuity benefits from Rs. 1,000,000 to Rs. 2,000,000.

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

	March 31, 2018 Rs.	March 31, 2017 Rs.	March 31, 2016 Rs.	March 31, 2015 Rs.	March 31, 2014 Rs.
Defined benefit obligation	136,046,460	126,415,333	101,507,322	84,471,288	63,479,208
Plan assets	130,128,236	106,228,621	86,605,322	62,371,485	36,796,868
Surplus / (deficit)	(5,918,224)	(20,186,712)	(14,902,000)	(22,099,803)	(26,682,340)
Experience adjustments on plan liabilities	(1,565,067)	(244,298)	(3,499,042)	1,985,861	(120,746)
Experience adjustments on plan assets	680,762	702,055	787,981	1,319,276	202,681

The Company has accounted for an actuarial gain of Rs. 10,844,931 for the year ended March 31, 2018 (March 31, 2017: Loss of Rs 9,871,422), 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, 2018

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, 2018 and March 31, 2017 are as follows:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Lease payments for the year	52,792,491	58,039,810
<b>Minimum Lease Payments:</b>		
Within one year	34,462,185	28,296,049
After one year but not more than five years	14,732,938	38,997,063
More than five years	-	-
<b>Total</b>	<b>49,195,123</b>	<b>67,293,112</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, 2018		March 31, 2017	
	Minimum payments Rs.	Present value of MLP Rs.	Minimum payments Rs.	Present value of MLP Rs.
Within one year	11,728,640	8,951,600	11,170,133	7,279,352
After one year but not more than five years	10,608,350	9,198,986	22,437,397	18,150,586
More than five years	-	-	-	-
<b>Total minimum lease payments</b>	<b>22,336,990</b>	<b>18,150,586</b>	<b>33,607,530</b>	<b>25,429,938</b>
Less: Amounts representing finance charges	(4,186,404)	-	(8,177,592)	-
<b>Present value of minimum lease payments</b>	<b>18,150,586</b>	<b>18,150,586</b>	<b>25,429,938</b>	<b>25,429,938</b>

29 Segment reporting

Identification of segments:

Business segment:

The Company is engaged in manufacture and sale of food products, confectionery 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 notified under Companies Accounting Standards Rules 2006 (as amended) other than those provided in financial statements.

Geographical segment:

Revenue:

India  
United States of America  
Others  
Revenue from operations

	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
India	6,328,118,758	6,236,036,807
United States of America	276,871,356	291,701,879
Others	420,343,700	374,636,511
<b>Revenue from operations</b>	<b>7,025,333,814</b>	<b>6,902,375,197</b>

Assets:

India  
United States of America  
Others

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
India	3,500,349,353	3,174,942,400
United States of America	53,405,907	75,112,804
Others	92,138,073	63,207,915
<b>Assets</b>	<b>3,645,893,333</b>	<b>3,313,263,119</b>

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

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MTR FOODS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2018

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

Name of the Related Party	Nature of relationship
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

Name of the Entity	Nature of relationship
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
Orkla Foods Latvija sia	Fellow subsidiary
Rasoi Magic Foods (India) Pvt. Ltd.	Subsidiary
Firmroots Private Limited	Associate (from September 19, 2017)
Mr. Sanjay Sharma	Director & Chief Executive Officer
Mr. Ganesh Shenoy	Chief Financial Officer (from May 1, 2016)
Mr. Aneesh K	Company Secretary (upto November 10, 2017)

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**MTR FOODS PRIVATE LIMITED**  
Notes to financial statements for the year ended March 31, 2018

i) 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	Investment in Shares	Amount Owed by Related parties	Amount Owed to Related parties
Okla Asin Pacific Pte Ltd	March 31, 2018 March 31, 2017	- -	- -	- -	- -	- -	11,500	-	1,001,908	500,000,000	-	-	-	-
Okla ASA	March 31, 2018 March 31, 2017	- -	- -	- -	33,758,278 24,532,238	1,207,575 3,129,998	-	-	-	-	-	-	-	6,024,516 1,400,464
Fellow Subsidiaries	March 31, 2018 March 31, 2017	- -	- -	- -	- -	1,288,276 800,765	-	-	-	-	-	-	-	-
Okla IT AS	March 31, 2018 March 31, 2017	- -	- -	2,210,187 12,654,759	- -	-	233,513	-	-	-	-	-	-	2,191,556 2,642,663
Okla Foods Norge AS	March 31, 2018 March 31, 2017	- -	- -	4,893,573 5,269,574	- -	-	-	-	-	-	-	-	-	176,867 3,334,577
Lillberg AS	March 31, 2018 March 31, 2017	- -	- -	- -	- -	-	-	-	-	-	-	-	-	-
Okla Foods Latvija s.a	March 31, 2018 March 31, 2017	- -	- -	- -	- -	54,380	-	-	-	-	-	-	-	-
Okla Confectionary and Snacks	March 31, 2018 March 31, 2017	- -	- -	- -	- -	762,053 739,003	-	-	-	-	-	-	-	-
Subsidiaries	March 31, 2018 March 31, 2017	2,115,476 962,902	2,046,299 1,906,253	12,664,742 12,155,851	3,629,471 3,314,610	156,427	645,730	266,262 363,552	-	-	1,790,093 936,926	-	2,214,526 3,280,531	3,300,359 121,539
Associates	March 31, 2018 March 31, 2017	- -	- -	- -	- -	400,000	-	-	-	-	-	35,002,100	-	-

**b. Loans Given and Repayment Thereof**

Particulars	Year Ended	Opening Balance	Loans Given	Repayment	Loan outstanding	Interest Receivable
Wholly Owned Subsidiary	March 31, 2018 March 31, 2017	11,650,000 9,150,000	85,000,000 2,500,000	91,650,000 -	5,000,000 11,650,000	77,671 232,681

**c. Remuneration to Key Managerial Personnel**

Particulars	31-Mar-18	31-Mar-17
Mr. Sanjay Sharma, CEO & Director	63,250,122	58,245,243
Salary & Perquisites		
Mr. Ganesh Shenoy, CFO	12,328,247	12,123,215
Salary & Perquisites		
Mr. Anesh K	1,305,487	1,520,201
Salary & Perquisites		

Note: (a) The Company has granted an unsecured loan facility to Raso 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.



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MTR FOODS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2018

31 Capital and other commitments

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
(a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance)	65,093,727	264,953,884
(b) During the year ended March 31, 2018, the Company has availed Export Promotion Capital Goods (EPCG) license benefit of Rs. 10,682,504 against import of capital goods amounting to Rs. 133,137,607 for manufacturing of confectionery. In respect of this benefit, the Company has an export obligation of 6 times of the duty saved on import of capital goods on FOB basis within a period of 6 years from the date of issue of the license. The export obligation is Rs. 64,095,026. If the Company fails to achieve the export obligation, the Company is liable to pay duty exemption availed with an interest of 18% per annum proportionately to the extent of obligation not met. The Company is confident of meeting the export obligation.		
(c) Refer note 41 for obligation relating to government grant.		

32 Contingent liabilities

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
(a) Litigations:		
(i) Indirect taxation ( includes matters pertaining to disputes on central excise, service tax, value added taxes and central sales tax.)	11,058,768	145,758,281
(ii) Direct taxation (includes disputed amounts on income tax matters under appeal)	-	3,996,857
(iii) Other litigations	16,839,705	1,000,000
Total	27,898,473	150,755,138

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, 2018 and March 31, 2017, 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.

Other litigations include Rs. 15,839,705 (March 31, 2017: Rs. NIL) being penalty and charges claimed by Bangalore Electricity Supply Company Limited (BESCOM) alleging unauthorised extension of power supply. The Company is confident that the claims are not tenable and the Company is in full compliance of the rules.

(b) Guarantees		
(i) Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	16,588,363	17,620,279
(ii) Guarantees given by the Company to the banks on behalf of its suppliers	69,115,527	104,533,279
The necessary terms and conditions have been complied with and no liabilities have arisen.		

33 Earnings in foreign currency (on accrual basis):

	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
F.O.B Value of Exports	677,084,909	645,022,821
Total	677,084,909	645,022,821

34 Imported and indigenous raw materials, packing materials and spare parts consumed

	Year ended March 31, 2018		Year ended March 31, 2017	
	100%	Rs.	100%	Rs.
<b>Raw materials</b>				
Imported	-	-	-	-
Indigenously obtained	100%	2,809,611,094	100%	2,903,437,355
	100%	2,809,611,094	100%	2,903,437,355
<b>Packing materials</b>				
Imported	1.54%	8,100,697	0.46%	2,337,706
Indigenously obtained	98.46%	516,587,291	99.54%	504,056,311
	100%	524,687,988	100%	506,394,017
<b>Spare parts</b>				
Imported	7.5%	2,345,570	3.8%	1,529,305
Indigenously obtained	92.5%	29,115,041	96.2%	39,086,644
	100.0%	31,460,611	100.0%	40,615,949



MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

35 Expenditure in foreign currency (on accrual basis)

	Year ended March 31, 2018	Year ended March 31, 2017
	Rs.	Rs.
Legal and professional fees	33,758,378	24,532,238
Advertisement and sales promotion	27,719,658	12,496,278
Travelling and conveyance	762,033	739,003
Salaries	798,688	-
Repairs and maintenance	2,680,819	800,765
Training and Development	152,291	3,129,998
Others	403,008	695,468
<b>Total</b>	<b>66,274,875</b>	<b>42,393,750</b>

36 Value of imports calculated on CIF basis :

	Year ended March 31, 2018	Year ended March 31, 2017
	Rs.	Rs.
i. Raw materials and packing materials	27,547,304	2,175,399
ii. Spares and consumables	5,626,616	2,262,270
iii. Capital goods	147,985,949	248,991,561
iv. Traded Goods	7,103,761	17,924,333
<b>Total</b>	<b>188,263,630</b>	<b>271,353,563</b>

37 Excise duty on sales amounting to Rs. 11,444,243 (2017: Rs. 57,228,980 ) has been reduced from sales in the statement of profit & loss and excise duty on increase/ (decrease) in stock amounting to Rs. (2,514,516) (2017: Rs. (84,974) ) 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

	As at March 31, 2018	As at March 31, 2017
	Rs.	Rs.
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	40,899,295	51,555,839
Interest due on above	338,219	633,896
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	146,651,837	152,622,335
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).	888,513	3,416,579
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1,226,732	4,050,475
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	5,589,036	4,362,304

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MTR FOODS PRIVATE LIMITED  
Notes to financial statements for the year ended March 31, 2018

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, 2018 and March 31, 2017 in respects of highly probable exports:

Currency	As at	As at
	March 31, 2018	March 31, 2017
US Dollar	940,000	425,000
INR	62,233,388	27,051,250

The following are the outstanding Forward Exchange Contracts entered into by the Company as on March 31, 2018 and March 31, 2017 in respect of highly probable imports:

Currency	As at	As at
	March 31, 2018	March 31, 2017
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	As at	As at	As at
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Receivables	GBP	-	66,567	-	5,280,090
	USD	1,062,368	1,612,829	68,894,565	102,623,631
	EURO	-	20,640	-	1,399,600
	SGD	39,598	-	1,952,973	-
Customer Advances	USD	3,148	457	204,148	29,088
	EURO	874	4,809	69,935	326,066
Advance recoverable (including capital advance)	USD	21,786	64,040	1,426,983	4,076,177
	EURO	50,546	167,874	4,125,565	11,383,503
	NOK	-	281	-	2,080
	AUD	-	48,496	-	2,364,691
Payables	GBP	2,870	330,000	267,484	26,175,000
	USD	14,897	228,004	975,754	15,043,739
	NOK	969,230	524,670	8,219,072	4,045,208
	AUD	6,463	-	326,705	-
	EURO	2,895	2,895	236,290	204,308

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.798,688 (March 31, 2017: NIL), 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.344,514 (March 31, 2017: Rs. 132,583) 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, 2017: 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, 2018 (March 31, 2017: Rs. 9,131,916). The Company is confident of meeting the export obligation.



**MTR FOODS PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2018

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.

(a) Gross amount required to be spent by the Company during the year	March 31, 2018 (Rs.)		March 31, 2017 (Rs.)
	In Cash	Yet to be paid in Cash	Total
			7,664,739
<b>(b) Amount spent during the year ending on March 31, 2018</b>			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	7,358,353	-	7,358,353
<b>(c) Amount spent during the year ending on March 31, 2017</b>			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	4,079,182	-	4,079,182

43. Pursuant to fire incident on March 21, 2018, certain fixed assets, inventory and other contents in one of the buildings was damaged. During the year ended March 31, 2018, the Company has written off the net book value of assets amounting to Rs. 23,047,819. The Company lodged an initial estimate of loss with the insurance company and the survey is currently on going.
44. 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

*[Signature]*

per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382



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

*[Signature]*

Atle Vidar Johnsen  
Chairman  
DIN: 01361367

*[Signature]*  
B.G. Shetty  
Chief Financial Officer

Place: Bengaluru  
Date: September 25, 2018

*[Signature]*

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107



Place: Bengaluru  
Date: September 25, 2018