

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of MTR Foods Private Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of MTR Foods Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

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

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

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

#### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by 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 purposes 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, the Statement of Profit and Loss and the 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 Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its 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;

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

**Chartered Accountants**

- 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

**Aditya**  
**Bhauwala**

Digitally signed by Aditya  
Bhauwala  
DN: cn=Aditya Bhauwala,  
email=Aditya.Bhauwala@srb.in  
Location: Bangalore  
Date: 2020.09.15 19:04:59 +05'30'

per Aditya Vikram Bhauwala

Partner

Membership Number: 208382

UDIN: 20208382AAAACD3392

Bengaluru

September 15, 2020

**Annexure 1 referred to in our report to the members of MTR Foods Private Limited (“the Company”) for the year ended March 31, 2020. 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. Also, refer note 10.1 in the standalone financial statements.

- (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, 2020 and no material discrepancies were noticed in respect of such confirmations.

- (iii) (a) The Company has granted a unsecured loan to one company and a secured loan to another 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 loans that are re-payable on demand, to a company covered in the register maintained under section 189 of the Act. Based on the information and explanations provided to us, portion of loan was repaid by the Company upon demand during the year. The payment of interest has been as stipulated.

The Company has also granted loan to another 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 and the repayments are as stipulated. The loan and interest were not due as at the year end.

(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, provisions of section 185 of the Act in respect of a loan given to an associate company in which a director of the Company is a director have been complied with. There are no guarantees or securities given to which section 185 of the Act is applicable. In respect of investments made, loans and guarantees given, provisions of section 186 of the Act, as applicable, have been complied with by the Company.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- (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.

# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, customs duty, 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.

(c) According to the records of the Company, the dues 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
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	Honorable Supreme Court of India
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)

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

Chartered Accountants

Karnataka Value Added Tax Act, 2003	VAT/ CST	25,067,343	-	December 2006 to September 2007	Honorable Supreme Court of India
Maharashtra Value Added Tax Act, 2002	VAT	9,685,566	-	April 2013 to March 2014	Joint Commissioner of Sales tax
Maharashtra Value Added Tax Act, 2002	CST	2,680,667	-	April 2014 to March 2015	Joint Commissioner of Sales tax

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company does not have any borrowing by way of debentures or from government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by 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 standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or 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 standalone 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 insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

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

Chartered Accountants

- (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

**Aditya**  
**Bhauwala**

Digitally signed by Aditya  
Bhauwala  
DN: cn=Aditya Bhauwala,  
email=Aditya.Bhauwala@srb.in  
Location: Bangalore  
Date: 2020.09.15 19:05:13 +05'30'

per Aditya Vikram Bhauwala

Partner

Membership Number: 208382

UDIN: 20208382AAAACD3392

Bengaluru

September 15, 2020



**Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of MTR Foods Private Limited ('the Company') for the year ended March 31, 2020**

**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, 2020 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 standalone 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 Standalone 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 standalone 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 standalone financial statements.

### **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, 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, 2020, 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

**Aditya**  
**Bhauwala**

Digitally signed by Aditya  
Bhauwala  
DN: cn=Aditya Bhauwala,  
email=Aditya.Bhauwala@srb.in  
Location: Bangalore  
Date: 2020.09.15 19:05:29 +05'30'

per Aditya Vikram Bhauwala  
Partner  
Membership Number: 208382  
UDIN: 20208382AAAACD3392

Bengaluru  
September 15, 2020

**MTR FOODS PRIVATE LIMITED**  
**Standalone Balance sheet as at March 31, 2020**

	Notes	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	98,092,690	98,092,690
Reserves and surplus	4	2,843,297,589	2,106,711,338
		<b>2,941,390,279</b>	<b>2,204,804,028</b>
<b>Deferred government grants</b>	5	1,014,658	2,018,494
<b>Non-current liabilities</b>			
Long-term borrowings	6	-	-
Deferred tax liability (net)	12	-	32,901,753
Other non current liabilities	7	3,095,527	-
		<b>3,095,527</b>	<b>32,901,753</b>
<b>Current liabilities</b>			
Short-term borrowings	8	35,000,000	175,617,453
Trade payables	7		
Total outstanding dues of micro & small enterprises		62,189,057	49,718,374
Total outstanding dues of creditors other than micro & small enterprises		711,902,185	717,054,458
Other current liabilities	7	398,053,193	391,784,871
Short-term provisions	9	185,835,693	185,896,143
		<b>1,392,980,128</b>	<b>1,520,071,299</b>
<b>TOTAL</b>		<b>4,338,480,592</b>	<b>3,759,795,574</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10.1	1,937,643,723	2,177,565,282
Intangible assets	10.2	22,848,514	28,047,014
Capital work-in-progress		43,983,458	20,966,769
Non-current investments	11	405,509,371	327,705,183
Deferred tax assets (net)	12	23,777,178	-
Loans and advances	13	78,165,732	75,651,110
		<b>2,511,927,976</b>	<b>2,629,935,358</b>
<b>Current assets</b>			
Current investments	14	667,396,093	201,622,630
Inventories	15	722,612,010	545,282,262
Trade receivables	16	169,263,750	215,734,384
Cash and bank balances	17	59,308,674	5,905,040
Loans and advances	13	177,955,713	152,453,384
Other current assets	18	30,016,376	8,862,516
		<b>1,826,552,616</b>	<b>1,129,860,216</b>
<b>TOTAL</b>		<b>4,338,480,592</b>	<b>3,759,795,574</b>

Summary of significant accounting policies 2.1

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

As per our report of even date

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

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

**Aditya Bhauwala**  
Digitally signed by Aditya Bhauwala  
DN: cn=Aditya Bhauwala, email=Aditya.Bhauwala@srb.in, Location: Bangalore, Date: 2020.09.15 19:03:25 +05'30'

per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382

**ATLE VIDAR NAGEL JOHANSEN**  
Digitally signed by ATLE VIDAR NAGEL JOHANSEN  
Date: 2020.09.15 16:42:32 +05'30'

Atle Vidar Johnsen  
Chairman  
DIN: 01361367

**SANJAY SHARMA**  
Digitally signed by SANJAY SHARMA  
Date: 2020.09.15 16:39:11 +05'30'

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

**Ganesh Shenoy Basavanagudi**  
Digitally signed by Ganesh Shenoy Basavanagudi  
Date: 2020.09.15 16:30:36 +05'30'

B.G.Shenoy  
Chief Financial Officer

**Kongot Aneesh**  
Digitally signed by Kongot Aneesh  
Date: 2020.09.15 16:37:36 +05'30'

K.Aneesh  
Company Secretary  
(Membership no: 32470)

Place: Bengaluru  
Date: September 15, 2020

Place: Bengaluru  
Date: September 15, 2020

**MTR FOODS PRIVATE LIMITED**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2020**

	Notes	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
<b>Income</b>			
Revenue from operations	19	8,073,107,206	7,696,453,306
Other income	20	61,611,514	50,058,190
<b>Total revenue</b>		<b>8,134,718,720</b>	<b>7,746,511,496</b>
<b>Expenses</b>			
Cost of raw materials and packing materials consumed	21	3,851,639,001	3,509,580,820
Purchase of traded goods		523,809,136	524,194,701
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	22	(130,430,131)	5,221,504
Employee benefits expense	23	1,047,350,320	951,991,011
Other expenses	24	1,476,288,636	1,639,991,156
Depreciation and amortization expense	25	263,087,782	230,195,817
Finance costs	26	19,677,106	6,695,854
<b>Total expenses</b>		<b>7,051,421,850</b>	<b>6,867,870,863</b>
<b>Profit before exceptional items and tax</b>		<b>1,083,296,870</b>	<b>878,640,633</b>
Exceptional items	42	105,472,310	(22,500,000)
<b>Profit before tax</b>		<b>977,824,560</b>	<b>901,140,633</b>
<b>Tax expenses</b>			
Current tax		297,917,240	287,934,262
Tax of earlier years		-	(7,472,571)
Deferred tax		(56,678,931)	29,500,873
<b>Total tax expense</b>		<b>241,238,309</b>	<b>309,962,564</b>
<b>Profit for the year</b>		<b>736,586,251</b>	<b>591,178,069</b>

Earnings per equity share [nominal value of share Rs. 10 (March 31, 2019: Rs. 10)]

Basic and Diluted 75.09 52.92

Weighted average number of shares used in computing Basic & Diluted earning per share 9,809,269 11,171,709

Summary of significant accounting policies 2.1

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

As per our report of even date

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

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

**Aditya Bhauwala**  
Digitally signed by Aditya Bhauwala  
DN: cn=Aditya Bhauwala, email=Aditya.Bhauwala@srb.in, Location: Bangalore, Date: 2020.09.15 19:03:47 +05'30'

per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382

**ATLE VIDAR NAGEL JOHANSEN**  
Digitally signed by ATLE VIDAR NAGEL JOHANSEN  
Date: 2020.09.15 16:43:51 +05'30'

Atle Vidar Johnsen  
Chairman  
DIN: 01361367

**SANJAY SHARMA**  
Digitally signed by SANJAY SHARMA  
Date: 2020.09.15 16:39:40 +05'30'

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

**Ganesh Shenoy Basavanagudi**  
Digitally signed by Ganesh Shenoy Basavanagudi  
Date: 2020.09.15 16:31:03 +05'30'

B.G.Shenoy  
Chief Financial Officer

**Kongot Aneesh**  
Digitally signed by Kongot Aneesh  
Date: 2020.09.15 16:34:03 +05'30'

K.Aneesh  
Company Secretary  
(Membership no: 32470)

Place: Bengaluru  
Date: September 15, 2020

Place: Bengaluru  
Date: September 15, 2020

**MTR FOODS PRIVATE LIMITED**  
**Standalone Cash Flow Statement for the year ended March 31, 2020**

	Notes	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
<b>A Cash flows from operating activities</b>			
Profit before tax		977,824,560	901,140,633
<b>Adjustment for:</b>			
Exceptional items		105,472,310	(22,500,000)
Depreciation/ amortization		263,087,782	230,195,817
Capital subsidy recognised		(1,003,836)	(1,014,657)
Interest expense		16,604,153	3,277,539
Profit on sale of investments in units of mutual funds - current		(29,057,527)	(28,799,863)
Interest income on loan to related parties		(746,208)	(106,246)
Interest Income - others		(13,472)	(706,872)
Loss on sale of property, plant and equipment, net		691,551	3,275,805
Provision for doubtful debts and advances		10,409,393	8,303,305
Assets written off		3,162,317	4,672,374
Liabilities written back		(6,084,408)	(969,737)
Unrealised foreign exchange loss/(gain)		2,282,662	1,437,378
<b>Operating profit before working capital changes</b>		<b>1,342,629,277</b>	<b>1,098,205,476</b>
Movement in working capital:			
(Increase) / decrease in trade receivables		43,398,760	(41,720,011)
(Increase) / decrease in inventories		(177,329,748)	87,441,491
(Increase) in loans & advances		(38,797,430)	(47,601,713)
Increase in liabilities & provisions		35,540,240	59,960,126
Cash generated from operations		1,205,441,099	1,156,285,369
Taxes paid (net)		(301,884,527)	(300,687,725)
Net cash from operating activities		<b>903,556,572</b>	<b>855,597,644</b>
<b>B Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(152,595,572)	(215,637,209)
Proceeds from sale of property, plant and equipment		757,916	1,351,167
Loan to subsidiary company		(10,000,000)	-
Repayment of loan by subsidiary company		5,000,000	5,000,000
Interest on loan to related parties		105,867	183,917
Investment in shares of associates		(90,002,940)	(22,000,920)
Loan to Associate		(7,500,000)	-
Claim Proceeds from insurance company (exceptional items)		6,726,442	22,500,000
Investment in units of Mutual Funds		(2,310,000,000)	(2,308,500,000)
Redemption of units of Mutual Funds		1,873,284,064	2,190,000,000
Interest received		13,472	1,308,836
Net cash used in investing activities		<b>(684,210,751)</b>	<b>(325,794,209)</b>
<b>C Cash flows from financing activities</b>			
Payment towards buy back of shares		-	(679,996,845)
Proceeds from short-term borrowings		210,000,000	175,617,453
Repayment of short-term borrowings		(350,617,453)	(20,000,000)
Interest paid		(14,716,384)	(340,523)
Finance lease obligations paid		(10,608,350)	(11,728,640)
Net cash used in financing activities		<b>(165,942,187)</b>	<b>(536,448,555)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		<b>53,403,634</b>	<b>(6,645,120)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>5,905,040</b>	<b>12,550,160</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>59,308,674</b>	<b>5,905,040</b>

(This space has been left intentionally blank)

**MTR FOODS PRIVATE LIMITED**  
**Standalone Cash Flow Statement for the year ended March 31, 2020**

	Notes	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
Components of cash and cash equivalents (Note 17)			
Cash on hand		298,153	229,993
Balances with scheduled banks		59,010,521	5,675,047
<b>Total</b>		<b>59,308,674</b>	<b>5,905,040</b>

Summary of significant accounting policies 2.1

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

As per our report of even date

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

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

**Aditya Bhauwala**  
Digitally signed by Aditya Bhauwala  
DN: cn=Aditya Bhauwala, email=Aditya.Bhauwala@srb.in, Location: Bangalore  
Date: 2020.09.15 19:04:03 +05'30'

per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382

**ATLE VIDAR NAGEL JOHANSEN**  
Digitally signed by ATLE VIDAR NAGEL JOHANSEN  
Date: 2020.09.15 16:44:55 +05'30'

Atle Vidar Johnsen  
Chairman  
DIN: 01361367

**SANJAY SHARMA**  
Digitally signed by SANJAY SHARMA  
Date: 2020.09.15 16:40:14 +05'30'

Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

**Ganesh Shenoy Basavanagudi**  
Digitally signed by Ganesh Shenoy Basavanagudi  
Date: 2020.09.15 16:31:27 +05'30'

B.G.Shenoy  
Chief Financial Officer

**Kongot Aneesh**  
Digitally signed by Kongot Aneesh  
Date: 2020.09.15 16:35:59 +05'30'

K.Aneesh  
Company Secretary  
(Membership no: 32470)

Place : Bengaluru  
Date : September 15, 2020

Place : Bengaluru  
Date : September 15, 2020

(This space has been left intentionally blank)

## **MTR FOODS PRIVATE LIMITED**

### **Notes to standalone financial statements for the year ended March 31, 2020**

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

#### **2 Basis of preparation**

The standalone financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these standalone 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 standalone 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 standalone 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 recognized 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 recognized 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 standalone financial statements for the year ended March 31, 2020**

<b>Nature of Asset</b>	<b>Useful lives estimated by the management (in years)</b>
Factory Buildings	30
Plant & machinery	5-12
Office equipment/Computers	3-5
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 realizable 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.



## **MTR FOODS PRIVATE LIMITED**

### **Notes to standalone financial statements for the year ended March 31, 2020**

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

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

#### **(g) Investments**

Investments that are readily realizable 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:

## **MTR FOODS PRIVATE LIMITED**

### **Notes to standalone financial statements for the year ended March 31, 2020**

#### *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, goods and services tax.

#### *Income from Services*

Revenue from the management services is recognized as and when services are rendered. The Company collects goods and services 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 recognized 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.

## **MTR FOODS PRIVATE LIMITED**

### **Notes to standalone financial statements for the year ended March 31, 2020**

#### *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 recognized 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.

#### **(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 recognized 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. Current tax measurement is based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 recognized 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 realized. Where there is unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized 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 realized. 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.

## **MTR FOODS PRIVATE LIMITED**

### **Notes to standalone financial statements for the year ended March 31, 2020**

#### **(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) Segment reporting policies**

##### *Identification of segments:*

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

##### *Inter segment transfers:*

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

##### *Allocation of common costs:*

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

##### *Unallocated items:*

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

#### **(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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**MTR FOODS PRIVATE LIMITED**

**Notes to standalone financial statements for the year ended March 31, 2020**

**(q) Provisions**

A provision is recognized 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.

**(r) Cash and cash equivalents**

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

*(This space has been left blank intentionally)*

**3 Share capital****Authorized shares**

50,000,000 (March 31, 2019: 50,000,000) equity shares of Rs. 10 each

As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
--------------------------------	--------------------------------

500,000,000 500,000,000

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

9,809,269 (March 31, 2019: 9,809,269) equity shares of Rs.10 each fully paid up

98,092,690 98,092,690

**Total issued, subscribed and fully paid-up share capital****98,092,690 98,092,690****(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****Equity Shares**

	As at March 31, 2020		As at March 31, 2019	
	No.	Rs.	No.	Rs.
At the beginning of the year	9,809,269	98,092,690	11,183,000	111,830,000
Less: Shares bought back during the year (Refer note ( e ) below)	-	-	1,373,731	13,737,310
Outstanding at the end of the year	<b>9,809,269</b>	<b>98,092,690</b>	<b>9,809,269</b>	<b>98,092,690</b>

**(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, 2020 Rs.	As at March 31, 2019 Rs.
(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company 9,809,209 (March 31, 2019: 9,809,209) equity shares of Rs. 10 each fully paid up	98,092,090	98,092,090
(ii) Orkla Food Ingredients AS, Norway, Associate Company 60 (March 31, 2019: 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, 2020		As at March 31, 2019	
	No.	% holding	No.	% holding
<b>Equity shares of Rs.10 each fully paid</b> Orkla Asia Pacific Pte Ltd, Singapore	9,809,209	99.999%	9,809,209	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, 2020		As at March 31, 2019	
	No.	No.	No.	No.
Equity shares bought back by the Company	3,373,731		3,373,731	

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

During the year ended March 31, 2019, the Company bought back 1,373,731 equity shares at price of Rs. 495 per share, utilizing a sum of Rs. 679,996,845. The amount paid towards buy-back of shares in excess of the face value, was appropriated out of Securities premium account, amounted to Rs.195,499,069 and out of Surplus in the Statement of Profit and Loss amounted to Rs 470,760,466. The Company extinguished the above mentioned shares as on March 31, 2019 and created Capital Redemption Reserve of Rs. 13,737,310 by way of appropriation against Surplus in the Statement of Profit and Loss amounting to Rs. 13,737,310.

(This space has been left intentionally blank)

**MTR FOODS PRIVATE LIMITED**

Notes to standalone financial statements for the year ended March 31, 2020

	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
<b>4 Reserves and surplus</b>		
<b>Capital Redemption Reserve</b>		
Balance as per the last financial statements	33,737,310	20,000,000
Add: Amount transferred in relation to buy-back of shares (Refer note 3 (e) above)	-	13,737,310
	<b>33,737,310</b>	<b>33,737,310</b>
<b>Securities premium account</b>		
Balance as per the last financial statements	-	195,499,069
Add: Additions during the year	-	-
Less: amounts utilized for premium on buy-back of shares (Refer note 3 (e) above)	-	195,499,069
	-	-
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	2,072,974,028	2,105,504,338
Profit for the year	736,586,251	591,178,069
Less: Appropriations		
Amounts utilized for premium on buy-back of equity shares (Refer note 3 (e) above)	-	470,760,466
Tax on buy back of shares	-	139,210,603
Transfer to capital redemption reserve (Refer note 3 (e) above)	-	13,737,310
Total appropriations	-	<b>623,708,379</b>
<b>Net surplus in the statement of profit and loss</b>	<b>2,809,560,279</b>	<b>2,072,974,028</b>
<b>Total reserves and surplus</b>	<b>2,843,297,589</b>	<b>2,106,711,338</b>
<b>5 Deferred government grants</b>		
Deferred government grant (refer note 40)	1,014,658	2,018,494
	<b>1,014,658</b>	<b>2,018,494</b>

(This space has been left intentionally blank)

**MTR FOODS PRIVATE LIMITED**
**Notes to standalone financial statements for the year ended March 31, 2020**

	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rs.	Rs.	Rs.	Rs.
	Non-current portion		Current maturities	
6 Long-term borrowings				
Finance lease obligation (secured)	-	-	-	9,198,986
Amount disclosed under the head "other current liabilities"	-	-	-	(9,198,986)
	-	-	-	-

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rs.	Rs.	Rs.	Rs.
	Non Current		Current	
7 Trade payables and Other liabilities				
a Trade payables (refer note 37 for details of dues to micro and small enterprises)				
Total outstanding dues of micro & small enterprises	-	-	62,189,057	49,718,374
Total outstanding dues of creditors other than micro & small enterprises	-	-	711,902,185	717,054,458
	-	-	<b>774,091,242</b>	<b>766,772,832</b>
b Other liabilities				
Current maturities of long term borrowings (finance lease obligation)	-	-	-	9,198,986
Interest accrued and due on borrowings	-	-	2,030	143,057
Others				
Interest free deposits from customers/ suppliers	-	-	5,314,643	4,414,643
Advance from customers	-	-	86,916,331	25,540,737
Payable towards capital creditors (refer note 37 for details of dues to micro and small enterprises)*	-	-	17,047,700	16,682,205
Deferred rent	3,095,527	-	92,908	1,403,978
Payables to employees	-	-	242,407,680	171,467,537
Other statutory dues**	-	-	46,271,901	162,933,728
	<b>3,095,527</b>	-	<b>398,053,193</b>	<b>391,784,871</b>

\*Includes outstanding dues to micro & small enterprises of Rs.4,639,134 (March 31,2019: Rs.1,372,981)

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

**8 Short-term borrowings**

Short-term loans from banks (unsecured) [Refer note (i) below]	35,000,000	160,000,000
Bank Overdraft (unsecured) [Refer note (ii) below]	-	15,617,453
	<b>35,000,000</b>	<b>175,617,453</b>

(i) The Company has taken a short term loan of Rs. 35,000,000 (March 31, 2019: Rs. 160,000,000) for a duration of less than 1 year and carrying a fixed rate of interest of 8.15% per annum. (March 31, 2019: 6.20% to 6.50% per annum).

(ii) As at March 31,2019, the Company had obtained an unsecured overdraft facility of Rs.15,617,453 from a bank, carrying interest rate of 11.40% per annum.

**9 Provisions**

	Short-term	
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 27)	15,662,913	20,090,454
Provision for leave benefits	45,836,447	38,121,501
	<b>61,499,360</b>	<b>58,211,955</b>
<b>Other provision</b>		
Provision for taxation (net)	10,141,668	13,489,523
Other provision [refer note 32(a)]	114,194,665	114,194,665
	<b>124,336,333</b>	<b>127,684,188</b>
	<b>185,835,693</b>	<b>185,896,143</b>

(This space has been left intentionally blank)



**MTR FOODS PRIVATE LIMITED**

Notes to standalone financial statements for the year ended March 31, 2020

**10.1 Property, plant and equipment**

	Land*	Buildings	Leasehold Improvements**	Plant & Machinery	Office Equipment	Electrical Fittings	Furniture & Fixtures	Vehicles	Total	Rs.
<b>Cost</b>										
At April 1, 2018	444,038,186	686,036,742	58,081,608	1,743,169,562	49,887,559	101,834,099	82,776,528	4,502,265	3,170,326,549	
Additions	-	54,697,257	3,140,291	203,204,040	14,469,430	11,502,012	3,165,288	-	290,178,318	
Disposals	-	-	-	(417,041)	-	-	-	-	(417,041)	
Transfer to assets held for sale	-	-	-	(21,577,793)	-	-	(115,679)	-	(21,693,472)	
<b>At March 31, 2019</b>	<b>444,038,186</b>	<b>740,733,999</b>	<b>61,221,899</b>	<b>1,924,378,768</b>	<b>64,356,989</b>	<b>113,336,111</b>	<b>85,826,137</b>	<b>4,502,265</b>	<b>3,438,394,354</b>	
Additions	-	5,969,609	-	96,920,528	7,564,155	102,579	150,745	-	110,707,616	
Disposals	-	-	-	-	(4,023,541)	-	-	(707,250)	(4,730,791)	
Transfer to assets held for sale	-	(103,464)	-	(18,421,185)	-	(347,325)	(216,750)	-	(19,088,724)	
<b>At March 31, 2020</b>	<b>444,038,186</b>	<b>746,600,144</b>	<b>61,221,899</b>	<b>2,002,878,111</b>	<b>67,897,603</b>	<b>113,091,365</b>	<b>85,760,132</b>	<b>3,795,015</b>	<b>3,525,282,455</b>	
<b>Depreciation</b>										
At April 1, 2018	-	141,242,792	42,964,986	660,107,148	42,617,633	38,045,296	33,247,524	3,970,239	962,195,618	
Charge for the year	-	30,052,915	8,305,617	154,031,929	6,585,190	10,158,156	7,191,546	457,996	216,783,349	
Disposals	-	-	-	(290,913)	-	-	-	-	(290,913)	
Transfer to assets held for sale	-	-	-	(16,856,713)	-	-	(85,418)	-	(16,942,131)	
<b>At March 31, 2019</b>	<b>-</b>	<b>171,295,707</b>	<b>51,270,603</b>	<b>796,991,451</b>	<b>49,202,823</b>	<b>48,203,452</b>	<b>40,353,652</b>	<b>4,428,235</b>	<b>1,161,745,923</b>	
Charge for the year	-	32,696,860	7,297,216	180,987,144	8,536,719	10,562,338	7,404,020	74,030	247,558,327	
Disposals	-	-	-	-	(4,023,541)	-	-	(707,250)	(4,730,791)	
Transfer to assets held for sale	-	(13,730)	-	(15,544,737)	-	(258,500)	(200,909)	-	(16,017,876)	
<b>At March 31, 2020</b>	<b>-</b>	<b>203,978,837</b>	<b>58,567,819</b>	<b>962,433,858</b>	<b>53,716,001</b>	<b>58,507,290</b>	<b>47,556,763</b>	<b>3,795,015</b>	<b>1,388,555,583</b>	
<b>Impairment loss</b>										
At April 1, 2018	-	-	-	99,083,149	-	-	-	-	99,083,149	
Charge for the year	-	-	-	-	-	-	-	-	-	
<b>At March 31, 2019</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	-	-	-	100,000,000	-	-	-	-	100,000,000	
<b>At March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199,083,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199,083,149</b>	
<b>Net Block</b>										
<b>At March 31, 2019</b>	<b>444,038,186</b>	<b>569,438,292</b>	<b>9,951,296</b>	<b>1,028,304,168</b>	<b>15,154,166</b>	<b>65,132,659</b>	<b>45,472,485</b>	<b>74,030</b>	<b>2,177,565,282</b>	
<b>At March 31, 2020</b>	<b>444,038,186</b>	<b>542,621,307</b>	<b>2,654,080</b>	<b>841,361,104</b>	<b>14,181,602</b>	<b>54,584,075</b>	<b>38,203,369</b>	<b>-</b>	<b>1,937,643,723</b>	

\* 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. The gross block of immovable assets located in the land premises is Rs. 49,737,273 (March 31, 2019: Rs. 49,737,273) [Net block Rs.27,294,423 (March 31, 2019: Rs. 29,002,573)]

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

	31-Mar-20	31-Mar-19
Gross block	39,955,200	39,955,200
Depreciation for the year	5,826,800	6,659,200
Accumulated depreciation	39,955,200	34,128,400
<b>Net book value</b>	<b>-</b>	<b>5,826,800</b>

**MTR FOODS PRIVATE LIMITED**

Notes to standalone financial statements for the year ended March 31, 2020

**10.2 Intangible assets**

				Rs.
	Patents	Trade mark & brand	Computer software	Total
<b>Cost</b>				
<b>At April 1, 2018</b>	<b>84,000,000</b>	<b>368,423,430</b>	<b>75,751,911</b>	<b>528,175,341</b>
Additions	-	-	30,952,479	30,952,479
Disposals	-	-	-	-
<b>At March 31, 2019</b>	<b>84,000,000</b>	<b>368,423,430</b>	<b>106,704,390</b>	<b>559,127,820</b>
Additions	-	-	10,330,955	10,330,955
Disposals	-	-	-	-
<b>At March 31, 2020</b>	<b>84,000,000</b>	<b>368,423,430</b>	<b>117,035,345</b>	<b>569,458,775</b>
<b>Depreciation</b>				
<b>At April 1, 2018</b>	<b>50,400,000</b>	<b>368,423,430</b>	<b>65,244,908</b>	<b>484,068,338</b>
Charge for the year	-	-	13,412,468	13,412,468
Disposals	-	-	-	-
<b>At March 31, 2019</b>	<b>50,400,000</b>	<b>368,423,430</b>	<b>78,657,376</b>	<b>497,480,806</b>
Charge for the year	-	-	15,529,455	15,529,455
Disposals	-	-	-	-
<b>At March 31, 2020</b>	<b>50,400,000</b>	<b>368,423,430</b>	<b>94,186,831</b>	<b>513,010,261</b>
<b>Impairment loss</b>				
<b>At April 1, 2018</b>	<b>33,600,000</b>	-	-	<b>33,600,000</b>
Charge for the year	-	-	-	-
<b>At March 31, 2019</b>	<b>33,600,000</b>	-	-	<b>33,600,000</b>
Charge for the year	-	-	-	-
<b>At March 31, 2020</b>	<b>33,600,000</b>	-	-	<b>33,600,000</b>
<b>Net Block</b>				
<b>At March 31, 2019</b>	-	-	<b>28,047,014</b>	<b>28,047,014</b>
<b>At March 31, 2020</b>	-	-	<b>22,848,514</b>	<b>22,848,514</b>

	As at March 31, 2020 Rs.	As at March 31, 2019 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, 2019: 50,000) Equity shares of Rs. 10 each fully paid-up in Rasoi Magic Foods (India) Private Limited [refer note (i) below]	270,702,163	270,702,163
<i>Investment in associate</i>		
8,065 (March 31, 2019: 8,065) Equity shares of Rs.10 each fully paid-up in Firmroots Private Limited	35,002,100	35,002,100
Less: Provision for diminution in the value of investment	12,198,752	-
	22,803,348	35,002,100
<i>Investment in associate</i>		
3,514 (March 31, 2019: 1,112) Equity shares of Rs.10 each fully paid-up in Pot Ful India Private Limited [refer note (ii) below]	112,003,860	22,000,920
	<b>405,509,371</b>	<b>327,705,183</b>

- (i) As at March 31, 2020, Rasoi Magic Foods (India) Private Limited ("Rasoi") has a negative net worth of Rs.63,417,887 (March 31, 2019: Rs.55,000,527). 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.
- (ii) During the year ended March 31, 2020, the Company acquired 252 equity shares from the promoters of Pot Ful India Private Limited and subscribed to 2,150 equity shares. Subsequent to such additional share holding in Pot Ful, effective from July 15, 2019, Pot Ful India Private Limited is an associate of the Company.

**MTR FOODS PRIVATE LIMITED**

Notes to standalone financial statements for the year ended March 31, 2020

12 Deferred tax asset / (liability) (net)	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
<b>Deferred tax liability</b>		
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	45,209,595	112,287,169
<b>Gross deferred tax liability</b>	<b>45,209,595</b>	<b>112,287,169</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	34,775,939	35,839,219
Provision for doubtful debts/advances	4,667,856	3,149,653
Others [refer note 32(a)(i)]	29,542,978	40,396,544
<b>Gross deferred tax asset</b>	<b>68,986,773</b>	<b>79,385,416</b>
<b>Net deferred tax asset/(liability)</b>	<b>23,777,178</b>	<b>(32,901,753)</b>

13 Loans and advances	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
	Non-current		Current	
<b>Capital advances</b>				
Unsecured, considered good	11,351,474	5,607,984	-	-
<b>(A)</b>	<b>11,351,474</b>	<b>5,607,984</b>	<b>-</b>	<b>-</b>
<b>Loan to related parties (refer note (a) below)</b>				
Secured, considered good (refer (a)(i) below)	-	-	7,500,000	-
Unsecured, considered good (refer (a)(ii) below)	-	-	5,000,000	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>12,500,000</b>	<b>-</b>
<b>Security deposit</b>				
Unsecured, considered good	66,814,258	70,043,126	-	-
<b>(C)</b>	<b>66,814,258</b>	<b>70,043,126</b>	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	19,294,488	34,377,076
Unsecured, considered doubtful	-	-	11,868,522	2,346,603
	-	-	<b>31,163,010</b>	<b>36,723,679</b>
Less: provision for doubtful advances	-	-	11,868,522	2,346,603
<b>(D)</b>	<b>-</b>	<b>-</b>	<b>19,294,488</b>	<b>34,377,076</b>
<b>Other loans and advances, Unsecured considered good</b>				
Prepaid expenses	-	-	22,534,011	19,695,514
Loans to employees	-	-	20,714,326	20,850,905
Balances with statutory / government authorities	-	-	102,912,888	77,529,889
<b>(E)</b>	<b>-</b>	<b>-</b>	<b>146,161,225</b>	<b>118,076,308</b>
<b>Total (A+B+C+D+E)</b>	<b>78,165,732</b>	<b>75,651,110</b>	<b>177,955,713</b>	<b>152,453,384</b>

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

(i) Current - Rasoi Magic Foods (India) Private Limited (Subsidiary)

Maximum amount outstanding during the year

**March 31,2020**

5,000,000

10,000,000

**March 31,2019**

-

5,000,000

(ii) Current - Firmroots Private Limited (Associate)

Maximum amount outstanding during the year

7,500,000

7,500,000

-

-

The Company has given a secured loan to Firmroots Private Limited for its principal business activities. One of the promoter director of the associate has pledged his equity shares as security. The loan is repayable in June 2020 at an interest rate of 9% per annum.

(This space has been left intentionally blank)

**MTR FOODS PRIVATE LIMITED**

Notes to Standalone financial statements for the year ended March 31, 2020

	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
<b>14 Current Investments</b>		
<b>Unquoted mutual funds (valued at lower of cost and fair value, unless stated otherwise)</b>		
Aditya Birla Sun Life Overnight Fund 381,505.864 units (March 31, 2019:NIL) at Rs.1079.97 cost per unit (March 31,2019:Rs.NIL) [Market value Rs.412,121,137 (March 31, 2019: Rs. NIL)]	412,015,276	-
Aditya Birla Sun Life Liquid Fund 485.81 units (March 31, 2019:NIL) at Rs.318.55 cost per unit (March 31, 2019:Rs.NIL) [Market value Rs.155,244 (March 31, 2019: Rs. NIL)]	154,752	-
ICICI Prudential Overnight Fund 2,368,265.42 units (March 31, 2019:NIL) at Rs.107.72 cost per unit (March 31, 2019:Rs.NIL) [Market value Rs.255,177,757 (March 31, 2019: Rs. NIL)]	255,111,137	-
ICICI Prudential Liquid Fund 392.56 units (March 31, 2019:NIL) at Rs.292.76 cost per unit (March 31, 2019:Rs.NIL) [Market value Rs.115,327 (March 31, 2019: Rs. NIL)]	114,928	-
DSP BlackRock Liquidity Fund NIL units (March 31, 2019: 36,317.699 units) at Rs.NIL cost per unit (March 31, 2019: Rs. 2,669.84) [Market value Rs.NIL (March 31, 2019: Rs. 97,091,417)]	-	96,962,466
Aditya Birla Sun Life Cash Plus Fund NIL units (March 31, 2019: 348,841.623) at Rs.NIL cost per unit (March 31, 2019:Rs.300.02) [Market value Rs.NIL (March 31, 2019: Rs. 104,804,652)]	-	104,660,164
	<b>667,396,093</b>	<b>201,622,630</b>
<b>15 Inventories (valued at lower of cost and net realizable value)</b>		
Raw materials	222,376,100	164,636,874
Packing materials	65,485,471	80,325,960
Work-in-progress	31,224,107	23,258,561
Finished goods	302,409,339	179,707,867
Traded goods	41,959,050	42,195,937
Stores, spares and consumables	59,157,943	55,157,063
	<b>722,612,010</b>	<b>545,282,262</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	1,813,738	5,433,510
Doubtful	6,678,267	266,122
	<b>8,492,005</b>	<b>5,699,632</b>
Provision for doubtful receivables	6,678,267	266,122
	<b>1,813,738</b>	<b>5,433,510</b>
<b>Other receivables</b>		
Unsecured, considered good	167,450,012	210,300,874
Doubtful	-	6,400,705
	<b>167,450,012</b>	<b>216,701,579</b>
Provision for doubtful receivables	-	6,400,705
	<b>167,450,012</b>	<b>210,300,874</b>
<b>Total (A+B)</b>	<b>169,263,750</b>	<b>215,734,384</b>
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	59,010,521	5,675,047
Cash on hand	298,153	229,993
	<b>59,308,674</b>	<b>5,905,040</b>
<b>18 Other assets</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Property, plant and equipment held for sale	3,021,706	1,400,325
Accrued interest on other deposits	640,341	-
Other receivables [Refer note 30]	26,354,329	7,462,191
	<b>30,016,376</b>	<b>8,862,516</b>

**MTR FOODS PRIVATE LIMITED**

Notes to Standalone financial statements for the year ended March 31, 2020

	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
<b>19 Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	7,369,302,809	7,022,108,580
Traded goods	669,330,593	649,064,836
	<b>8,038,633,402</b>	<b>7,671,173,416</b>
<b>Other operating revenue</b>		
Scrap sales	10,561,163	12,262,467
Others	23,912,641	13,017,423
	<b>34,473,804</b>	<b>25,279,890</b>
<b>Revenue from operations</b>	<b>8,073,107,206</b>	<b>7,696,453,306</b>
<b>Detail of products sold</b>		
<b>Finished goods sold</b>		
Spices and masalas	3,256,402,444	3,049,256,593
Instant foods mixes and ready to eat items	3,033,859,125	2,840,982,745
Vermicelli & Macaroni	648,314,129	660,979,985
Beverages	503,329,555	565,186,362
Confectionery	49,710,513	41,712,385
	<b>7,491,615,766</b>	<b>7,158,118,070</b>
Less : Sales returns	(122,312,957)	(136,009,490)
<b>Total</b>	<b>7,369,302,809</b>	<b>7,022,108,580</b>
<b>Traded goods sold</b>		
Pickles & Papads	74,878,448	74,965,055
Spices	372,251,719	348,698,099
Spice mix and masalas	33,782,362	31,701,368
Vermicelli & Macaroni	173,949,972	179,793,967
Snacks	1,381,145	5,607,542
Oral Care	20,923,956	19,007,008
	<b>677,167,602</b>	<b>659,773,039</b>
Less : Sales returns	(7,837,009)	(10,708,203)
<b>Total</b>	<b>669,330,593</b>	<b>649,064,836</b>
<b>Net Sales</b>	<b>8,038,633,402</b>	<b>7,671,173,416</b>
<b>20 Other income</b>		
<b>Interest Income on</b>		
Loan to subsidiary company	168,020	106,246
Loan to associates	578,188	-
Bank deposits	1,335	-
Others	12,137	706,872
Gain on account of foreign exchange fluctuations (net)	19,489,232	10,884,948
Profit on sale of investments in units of mutual funds - current	29,057,527	28,799,863
Insurance claim proceeds	831,822	312,663
Liabilities no longer required written back	6,084,408	969,737
Other non-operating income	5,388,845	8,277,861
	<b>61,611,514</b>	<b>50,058,190</b>

(This space has been left intentionally blank)

	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
<b>21 Cost of raw materials and packing materials consumed</b>		
<b>a) Raw materials</b>		
Inventory at the beginning of the year	164,636,874	260,199,068
Add: Purchases (net)	3,353,852,529	2,860,671,525
	<u>3,518,489,403</u>	<u>3,120,870,593</u>
Less: Inventory at the end of the year	222,376,100	164,636,874
	<u><b>3,296,113,303</b></u>	<u><b>2,956,233,719</b></u>
<b>b) Packing materials</b>		
Inventory at the beginning of the year	80,325,960	82,441,954
Add: Purchases (net)	540,685,209	551,231,107
	<u>621,011,169</u>	<u>633,673,061</u>
Less: Inventory at the end of the year	65,485,471	80,325,960
	<u><b>555,525,698</b></u>	<u><b>553,347,101</b></u>
<b>Total (a+b)</b>	<u><b>3,851,639,001</b></u>	<u><b>3,509,580,820</b></u>
<b>Details of raw materials and packing materials consumed</b>		
Spice & spice powders	1,250,262,808	1,082,897,622
Wheat & rice products	867,273,823	791,717,662
Milk and milk solids	512,385,450	393,126,686
Fruits, berries, nuts & seeds and vegetables	368,422,696	367,478,278
Sugar & Chemicals	206,909,336	233,459,162
Vegetable oils	86,908,536	84,911,985
Packing materials (various)	555,525,698	553,347,101
Others	3,950,654	2,642,324
	<u><b>3,851,639,001</b></u>	<u><b>3,509,580,820</b></u>
<b>Details of Inventory</b>		
Spice & spice powders	119,911,324	71,859,944
Wheat & rice products	20,067,493	10,426,843
Milk and milk solids	40,192,283	27,702,261
Fruits, berries, nuts & seeds and vegetables	18,563,693	18,663,782
Sugar & Chemicals	19,576,062	31,927,668
Vegetable oils	3,479,098	3,060,076
Packing materials (various)	65,485,471	80,325,960
Others	586,147	996,300
	<u><b>287,861,571</b></u>	<u><b>244,962,834</b></u>
<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	42,195,937	24,316,572
Work in progress	23,258,561	14,482,890
Finished goods	179,707,867	211,584,407
	<u>245,162,365</u>	<u>250,383,869</u>
<b>Inventories at the end of the year</b>		
Traded goods	41,959,050	42,195,937
Work in progress	31,224,107	23,258,561
Finished goods	302,409,339	179,707,867
	<u>375,592,496</u>	<u>245,162,365</u>
	<u><b>(130,430,131)</b></u>	<u><b>5,221,504</b></u>
<b>Detail of purchase of traded goods</b>		
Pickles and papads	50,387,301	48,338,422
Spices	326,896,253	298,514,806
Spice mix and masalas	22,234,128	19,971,444
Vermicelli and macaroni	114,710,643	129,635,079
Snacks	1,734,890	3,286,108
Oral Care	7,845,921	24,448,842
	<u><b>523,809,136</b></u>	<u><b>524,194,701</b></u>

**MTR FOODS PRIVATE LIMITED**

Notes to Standalone financial statements for the year ended March 31, 2020

	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
<b>Detail of inventory of products</b>		
<b>Finished goods</b>		
Instant food mixes & ready to eat items	114,299,428	65,504,855
Spices & masalas	119,664,720	81,218,554
Vermicelli & Macaroni	21,362,092	18,628,080
Beverages	43,916,732	11,055,900
Confectionery	3,166,367	3,300,478
	<b>302,409,339</b>	<b>179,707,867</b>
<b>Traded goods</b>		
Pickles and papads	4,142,232	2,056,065
Spices	29,126,461	18,722,460
Spice mix and masalas	930,118	244,796
Vermicelli and macaroni	3,477,163	4,459,634
Snacks	186,478	739,671
Oral Care	3,900,803	13,949,313
Others	195,795	2,023,998
	<b>41,959,050</b>	<b>42,195,937</b>
<b>23 Employee benefits expense</b>		
Salaries, wages and bonus	899,591,848	816,184,904
Contribution to provident and other fund	39,060,669	33,269,951
Gratuity (Note 27)	16,497,035	20,335,922
Staff welfare expenses	92,200,768	82,200,234
	<b>1,047,350,320</b>	<b>951,991,011</b>
<b>24 Other expenses</b>		
Consumption of stores and spares	38,522,529	42,309,436
Power and fuel	126,256,119	115,808,421
Processing & water charges	27,413,812	26,287,708
Freight and forwarding charges	231,348,004	234,034,363
Rent	62,724,072	53,435,197
Rates and taxes	13,338,368	6,094,023
Insurance	8,109,599	8,320,246
Repairs and maintenance		
Plant and machinery	49,876,070	55,037,787
Buildings	12,859,065	35,393,695
Others	58,189,979	61,833,471
Advertising and sales promotion	540,793,460	672,722,793
Sales commission	74,862,434	64,146,516
Travelling and conveyance	59,839,531	55,090,336
Communication costs	3,609,510	3,504,018
Provision for doubtful debts and advances	10,409,393	8,303,305
Legal and professional fees	75,076,992	96,405,765
Payments to auditors (Refer details below)	4,660,000	5,085,000
Loss on sale of property, plant and equipment (net)	691,551	3,275,805
Assets written off	3,162,317	4,672,374
CSR expenses [Refer note 41]	3,776,676	9,696,696
Miscellaneous expenses	70,769,155	78,534,201
	<b>1,476,288,636</b>	<b>1,639,991,156</b>
<b>Payments to auditors</b>		
As auditor:		
Audit fee	3,910,000	3,500,000
In other capacity:		
Other services	600,000	1,150,000
Certification services	-	225,000
Reimbursement of expenses	150,000	210,000
	<b>4,660,000</b>	<b>5,085,000</b>
<b>25 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	247,558,327	216,783,349
Amortization of intangible assets	15,529,455	13,412,468
	<b>263,087,782</b>	<b>230,195,817</b>
<b>26 Finance costs</b>		
Interest	14,575,357	483,580
Bank charges	3,072,953	3,418,315
Interest on income tax	619,432	16,919
Finance charge on lease	1,409,364	2,777,040
	<b>19,677,106</b>	<b>6,695,854</b>

## 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, 2020 Rs.	March 31, 2019 Rs.
<b>Statement of profit and loss</b>		
<b>a Net employee benefit expense recognized in the employee benefit expense</b>		
Current service cost	12,349,308	11,136,316
Recognised past service cost	11,075	11,075
Interest cost on benefit obligation	11,987,389	10,196,245
Expected return on plan assets	(10,475,739)	(10,012,758)
Net actuarial (gain) / loss recognized in the year	2,625,002	9,005,044
<b>Net benefit expense</b>	<b>16,497,035</b>	<b>20,335,922</b>
Actual return on plan assets	9,964,447	9,857,795
<b>Balance sheet</b>		
<b>b Benefit asset/ liability</b>		
Present value of defined benefit obligation	(178,954,353)	(159,492,347)
Fair value of plan assets	163,280,457	139,379,835
Unrecognised past service cost	10,983	22,058
<b>Plan asset / (liability)</b>	<b>(15,662,913)</b>	<b>(20,090,454)</b>
<b>c Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	159,492,347	136,046,460
Current service cost	12,349,308	11,136,316
Interest cost	11,987,389	10,196,245
Benefits paid	(6,988,401)	(6,736,755)
Actuarial (gains) / losses on obligation	2,113,710	8,850,081
<b>Closing defined benefit obligation</b>	<b>178,954,353</b>	<b>159,492,347</b>
<b>d Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	139,379,835	130,128,236
Expected return	10,475,739	10,012,758
Contributions by employer	20,924,576	6,130,559
Benefits paid	(6,988,401)	(6,736,755)
Actuarial gains / (losses)	(511,292)	(154,963)
<b>Closing fair value of plan assets</b>	<b>163,280,457</b>	<b>139,379,835</b>

The Company expects to contribute Rs 15,662,913 to gratuity in the next year (March 31, 2019: Rs 20,090,454).

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

Investments with insurer	100%	100%
<b>e The principal assumptions used in determining benefit obligations are below:</b>		
Discount rate	6.85%	7.50%
Expected rate of return on assets	6.85%	7.50%
Salary escalation rate	6.5% for first year and 8% thereafter	
Attrition Rate	3% -7%	3% -7%

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

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

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

	March 31, 2020 Rs.	March 31, 2019 Rs.	March 31, 2018 Rs.	March 31, 2017 Rs.	March 31, 2016 Rs.
Defined benefit obligation	178,954,353	159,492,347	136,046,460	126,415,333	101,507,322
Plan assets	163,280,457	139,379,835	130,128,236	106,228,621	86,605,322
Surplus / (deficit)	(15,673,896)	(20,112,512)	(5,918,224)	(20,186,712)	(14,902,000)
Experience adjustments on plan liabilities	(6,650,473)	2,279,610	(1,565,067)	244,298	3,499,042
Experience adjustments on plan assets	(511,292)	(154,963)	680,762	702,055	787,981



**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, 2020 and March 31, 2019 are as follows:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Lease payments for the year	62,724,072	53,435,197
<b>Minimum Lease Payments:</b>		
Within one year	43,086,105	18,731,043
After one year but not more than five years	159,824,008	8,514,818
<b>Total</b>	<b>202,910,113</b>	<b>27,245,861</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:

	<b>March 31, 2020</b>		<b>March 31, 2019</b>	
	<b>Minimum payments</b>	<b>Present value of MLP</b>	<b>Minimum payments</b>	<b>Present value of MLP</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Within one year	-	-	10,608,350	9,198,986
After one year but not more than five years	-	-	-	-
<b>Total minimum lease payments</b>	-	-	<b>10,608,350</b>	<b>9,198,986</b>
Less: Amounts representing finance charges	-	-	(1,409,364)	-
<b>Present value of minimum lease payments</b>	-	-	<b>9,198,986</b>	<b>9,198,986</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.

Details of secondary geographical segments for individual markets outside domestic market is not disclosed as the same do not account for more than 10% of the total revenue or results or assets.

**Geographical segment:**

Revenue:

	<b>Year ended</b>	<b>Year ended</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs.</b>	<b>Rs.</b>
India	7,285,070,984	6,858,621,468
Others	788,036,222	837,831,838
<b>Revenue from operations</b>	<b>8,073,107,206</b>	<b>7,696,453,306</b>

Assets:

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>Rs.</b>	<b>Rs.</b>
India*#	4,211,155,679	3,574,125,792
Others	127,324,913	185,669,782
	<b>4,338,480,592</b>	<b>3,759,795,574</b>

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

(This space has been left intentionally blank)

**30 Related Party disclosures****i) Names of related parties and related party relationship****a Related parties where control exists irrespective of whether transactions have occurred or not**

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

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

<b>Name of the Entity</b>	<b>Nature of relationship</b>
Orkla ASA, Oslo, Norway	Ultimate holding company
Orkla Asia Pacific Pte Ltd, Singapore	Holding company
Orkla IT AS	Fellow subsidiary
Orkla Foods Norge AS	Fellow subsidiary
Lilleborg AS	Fellow subsidiary
Orkla Eesti	Fellow subsidiary
Rasoi Magic Foods (India) Pvt. Ltd.	Subsidiary
Firmroots Private Limited	Associate
PotFul India Private Limited	Associate (from July 15, 2019)
Mr. Sanjay Sharma	Director & Chief Executive Officer
Mr. Ganesh Shenoy	Chief Financial Officer
Mr. Ritesh Raj Pariyani	Company Secretary (May 9, 2018 to September 25, 2018)
Ms. Nanditha N	Company Secretary (February 4, 2019 to March 31, 2019)
Mr. Aneesh K	Company Secretary (from April 5, 2019)

(This space has been left intentionally blank)

**MTR FOODS PRIVATE LIMITED****Notes to standalone financial statements for the year ended March 31, 2020****ii) Related party transactions**

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

Nature of transaction	<b>Amount in Rs.</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b><u>i) Transactions during the year :</u></b>		
<b><u>Holding and Ultimate Holding companies:</u></b>		
<b>Orkla Asia Pacific Pte Ltd</b>		
Reimbursement of expenses from related parties	137,685	10,218
Buy Back of equity shares	-	679,996,845
<b>Orkla ASA</b>		
Receipt of services	27,826,364	29,368,003
Reimbursement of expenses to related parties	2,317,314	2,696,271
Reimbursement of expenses from related parties	19,145,766	6,448,242
<b><u>Fellow Subsidiaries:</u></b>		
<b>Orkla IT AS</b>		
Reimbursement of expenses to related parties	3,150,168	3,356,614
<b>Orkla Foods Norge AS</b>		
Reimbursement of expenses to related parties	-	44,038
<b>Lilleborg AS</b>		
Purchase of traded goods	7,845,921	24,448,842
<b>Orkla Eesti</b>		
Reimbursement of expenses to related parties	55,260	-
<b><u>Subsidiary:</u></b>		
<b>Rasoi Magic Foods (India) Private Limited</b>		
Other income	3,074,960	2,688,485
Purchase of traded goods	6,823,947	8,051,912
Receipt of services	2,964,711	3,236,134
Reimbursement of expenses from related parties	898,563	-
Reimbursement of expenses to related parties	4,800	769,022
Patent fees	225,012	300,077
Interest on loan	168,020	106,246
<b><u>Associate:</u></b>		
<b>Firmroots Private Limited</b>		
Purchase of traded goods	1,734,890	2,011,752
Advance against supplies	64,064	10,000,000
Provision for doubtful advance	(10,064,064)	-
Interest on loan	578,188	-
<b>Pot Ful India Private Limited</b>		
Investment in equity shares	80,560,500	-
<b><u>ii) Balances outstanding as at year end :</u></b>		
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Amounts receivable from :</b>		
Orkla Asia Pacific Pte Ltd	137,685	10,218
Orkla ASA	25,594,008	6,448,242
Rasoi Magic Foods (India) Private Limited	912,117	1,013,949
Firmroots Private Limited		
Outstanding amount	10,064,064	10,000,000
Less: Provision	(10,064,064)	-
Net Balance	-	10,000,000
<b>Amounts payable to :</b>		
Orkla ASA	2,922,633	3,355,845
Orkla Foods Norge AS	-	2,131,424
Lilleborg AS	1,859,136	-
Rasoi Magic Foods (India) Private Limited	749,123	159,556

**MTR FOODS PRIVATE LIMITED**

Notes to standalone financial statements for the year ended March 31, 2020

**b. Loans Given and Repayment Thereof**

Particulars	Amount in Rs.				
	Opening Balance	Loans Given	Repayment	Loan outstanding	Interest Receivable
<b>i) Wholly Owned Subsidiary</b>					
<b>Rasoi Magic Foods (India) Private Limited</b>					
March 31, 2020	-	10,000,000	5,000,000	5,000,000	62,154
March 31, 2019	5,000,000	-	5,000,000	-	-
<b>ii) Associates</b>					
<b>Firmroots Private Limited</b>					
March 31, 2020	-	7,500,000	-	7,500,000	578,188
March 31, 2019	-	-	-	-	-

**c. Remuneration to Key Managerial Personnel**

Particulars	31-Mar-20	31-Mar-19
Mr. Sanjay Sharma, Chief Executive Officer & Director Salary & Perquisites	49,818,152	54,177,362
Mr. Ganesh Shenoy, Chief Financial Officer Salary & Perquisites	13,187,181	20,097,050
Mr. Aneesh K, Company Secretary Salary & Perquisites	2,029,563	-
Nanditha N, Company Secretary Salary & Perquisites	-	41,800
Ritesh Raj Pariyani, Company Secretary Salary & Perquisites	-	499,318

**Note:**

(a) The Company had granted an unsecured loan facility to Rasoi Magic Foods (India) Private Limited at the interest rate prevailing for Government securities, for its principal business activities. The said loan is repayable on demand.

(b) The Company had granted an secured loan facility to Firmroots Private Limited at the interest rate prevailing for Government securities, for its principal business activities. The said loan is repayable by June 2020.

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

(d) 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.

(This space has been left intentionally blank)

**31 Capital and other commitments**

	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
(a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance)	65,426,091	18,293,496
(b) During the year ended March 31, 2018, the Company had 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.		

**32 Contingent liabilities**

	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
(a) Litigations:		
(i) Indirect taxation ( includes matters pertaining to disputes on central excise, service tax, value added taxes and central sales tax.) (Refer note [i] below)	20,354,983	20,354,983
(ii) Other litigations (Refer note [ii] below)	15,839,705	16,839,705
<b>Total</b>	<b>36,194,688</b>	<b>37,194,688</b>

- [i] In the prior years, the Company had received claims from the VAT authorities for payment of higher VAT for certain products. Accordingly, as a matter of prudence, the Company had made a provision amounting to Rs. 114,194,665 in its books of account towards such differential taxes. As at March 31, 2020 and March 31, 2019, 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. The KVAT authorities have filed a Special Leave Petition (SLP) in the Supreme Court which has been admitted by the Supreme Court. Accordingly, management continues to carry the provision as a matter of prudence pending final adjudication of the matter of law before the Supreme Court.

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.

- [ii] Other litigations include Rs. 15,839,705 (March 31, 2019: Rs. 15,839,705 ) 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

	As at March 31, 2020 Rs.	As at March 31, 2019 Rs.
(b) Guarantees		
(i) Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	18,888,363	23,988,363
(ii) Guarantees given by the Company to the banks on behalf of its suppliers	80,274,594	31,511,272
The necessary terms and conditions have been complied with and no liabilities have arisen. The Company has given certain commitments to purchase raw materials to certain vendors in the normal course of its business.		

Others:

In respect of the Honourable Supreme Court ruling in February 2019 relating to computation of salaries for Provident Fund contribution, there is uncertainty and ambiguity in retrospective application and accordingly the Company will evaluate its position as clarity emerges.

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

	Year ended March 31, 2020 Rs.	Year ended March 31, 2019 Rs.
F.O.B Value of Exports	697,488,792	739,553,849
<b>Total</b>	<b>697,488,792</b>	<b>739,553,849</b>

(This space has been left intentionally blank)

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

	Year ended March 31, 2020		Year ended March 31, 2019	
<b>Raw materials</b>				
Imported	-	-	-	-
Indigenously obtained	100%	3,296,113,303	100%	2,956,233,719
	<b>100%</b>	<b>3,296,113,303</b>	<b>100%</b>	<b>2,956,233,719</b>
<b>Packing materials</b>				
Imported	3.47%	19,272,825	1.17%	6,495,434
Indigenously obtained	96.53%	536,252,873	98.83%	546,851,667
	<b>100%</b>	<b>555,525,698</b>	<b>100%</b>	<b>553,347,101</b>
<b>Spare parts</b>				
Imported	12.1%	4,653,111	7.1%	2,992,759
Indigenously obtained	87.9%	33,869,418	92.9%	39,316,677
	<b>100.0%</b>	<b>38,522,529</b>	<b>100.0%</b>	<b>42,309,436</b>

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

	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs.	Rs.
Legal and professional fees	28,439,381	29,693,231
Advertisement and sales promotion	21,944,205	66,469,831
Travelling and conveyance	2,193,062	-
Salaries	263,234	194,608
Repairs and maintenance	4,787,795	5,831,562
Training and Development	416,453	1,423,105
Others	1,961,579	4,460,748
<b>Total</b>	<b>60,005,709</b>	<b>108,073,085</b>

## 36 Value of imports calculated on CIF basis :

	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs.	Rs.
i. Raw materials and packing materials	1,551,294	1,451,854
ii. Spares and consumables	10,073,677	9,646,836
iii. Capital goods	48,729,173	2,310,748
iv. Traded Goods	7,845,921	24,448,842
<b>Total</b>	<b>68,200,065</b>	<b>37,858,280</b>

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

	As at	As at
	March 31, 2020	March 31, 2019
	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*	66,828,191	51,091,355
Interest due on above	29,091	606,319
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	98,807,233	104,715,391
Interest	288,794	-
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).	-	1,227,388
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	29,091	1,833,707
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	29,091	6,781,211

\*includes payable towards capital creditors as on March 31,2020 to the extent of Rs.4,639,134 (March 31,2019: Rs. 1,372,981)

(This space has been left intentionally blank)

**MTR FOODS PRIVATE LIMITED**
**Notes to Standalone financial statements for the year ended March 31, 2020**
**38 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, 2020 and March 31, 2019 in respects of highly probable exports:

Currency	As at	As at
	March 31, 2020	March 31, 2019
US Dollar	1,650,000	825,000
INR	124,507,278	59,897,313

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 as at March 31, 2020 and March 31, 2019 that have not been hedged by a derivative instrument or otherwise are as follows:

Amount receivable / payable in foreign currency on accounting of following:	Currency	Amount in foreign currency		Amount in Rupees	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Receivables	GBP	13,509	36,264	1,229,003	3,269,165
	NOK	-	800,305	-	6,458,460
	USD	-	1,209,753	-	83,654,452
Customer Advances	USD	13,080	3,673	1,006,614	254,140
	EURO	-	1,112	-	86,362
Advance recoverable (including capital advance)	USD	11,741	15,996	868,099	1,106,103
	EURO	8,842	159,627	718,656	12,395,014
	GBP	84,944	-	7,728,160	-
Payables	USD	33,766	-	2,598,634	-
	NOK	398,179	679,959	2,922,633	5,487,269
	AUD	5,219	5,219	248,685	256,409
	EURO	27,937	2,895	2,375,187	224,773

39 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.263,234 (March 31, 2019: Rs.194,608), 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.

40 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.1,003,836 (March 31, 2019: Rs.1,014,657) in proportion to the depreciation charged during the year on the related assets.

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

	March 31, 2020 (Rs.)	March 31, 2019 (Rs.)	
(a) Gross amount required to be spent by the Company during the year	16,122,821	13,838,328	
<b>(b) Amount spent during the year ending on March 31, 2020</b>			
	<b>In Cash</b>	<b>Yet to be paid in Cash</b>	<b>Total</b>
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	3,776,676	-	3,776,676
<b>(c) Amount spent during the year ending on March 31, 2019</b>			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	9,696,696	-	9,696,696

	March 31, 2020 Rs.	March 31, 2019 Rs.
<b>42 Exceptional items</b>		
Claim Proceeds from insurance company (refer note (i) below)	(6,726,442)	(22,500,000)
Provision for diminution in the value of investment in associate	12,198,752	-
Impairment of property, plant and equipment (refer note (ii) below)	100,000,000	-
	<b>105,472,310</b>	<b>(22,500,000)</b>

- i) Pursuant to fire incident on March 21, 2018, certain fixed assets, inventory and other contents in one of the buildings were damaged. The Company had lodged an estimate of loss with the insurance company and had recorded a loss of Rs.23,047,819 arising from such incident during the year ended March 31, 2018. The Company has received a disbursement of Rs.6,726,442 (March 31,2019 : Rs.22,500,000) from the insurance company against the loss till March 31,2020. The aforementioned receivable and the disbursements from the insurance claim has been presented on a net basis as Rs.6,726,442 under Exceptional items in these financial statements.
- ii) During the year ended March 31, 2020 the Company determined impairment of certain of its plant and machinery relating to a product line / cash generating unit, arising due to low market demand. The recoverable amount was based on value in use and was determined at the level of the product line/cash-generating unit. In determining value in use for the cash-generating unit, the cash flows were discounted at a rate of 15% on a pre-tax basis. However, the Company continues to carry on the business of these divisions and is also taking specific steps to increase sales.
- 43** The Company has exercised the option of availing the lower tax rate available under Section 115BAA of Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944 % to 25.168% effective 01 April, 2019. Accordingly, the Company has provided for income taxes for the year ended 31st March, 2020 and re-measured the accumulated balance of deferred tax assets as at 31st March, 2019, based on the rate prescribed under the aforesaid section. The resultant impact has been taken through the statement of profit and loss. The re-measurement of accumulated deferred tax assets has resulted in a one-time additional deferred tax credit of Rs. 9,179,100 for the year ended 31st March, 2020.
- 44** During March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed and considered the impact of this pandemic on carrying amounts of its assets and business operations including all relevant internal and external information available up to the date of approval of these financial results. Basis such evaluation, the management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. Considering the uncertainties of the pandemic, the impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
- 45 Subsequent Event:**  
On 4th September 2020, the Company entered into an agreement to acquire 67.82% of the equity shares in Eastern Condiments Private Limited (Eastern), Kochi, Kerala, the share acquisition of which is subject to approval from Competition authorities. Post-closing of such share purchase, as per terms of the agreement, an application would be filed before the concerned authorities to merge Eastern into the Company. As part of the merger scheme, promoters holding residual stake of 32.18% in Eastern would be issued 9.99% equity shares of the merged entity MTR Foods Private Limited.
- 46** 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

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

**Aditya**  
**Bhauwala**  
Digitally signed by Aditya Bhauwala  
DN: cn=Aditya Bhauwala,  
email=Aditya.Bhauwala@srb.in  
Location: Bangalore  
Date: 2020.09.15 19:04:23 +05'30'

per Aditya Vikram Bhauwala  
Partner  
Membership no.: 208382

**ATLE VIDAR**  
**NAGEL**  
**JOHANSEN**  
Digitally signed by ATLE VIDAR NAGEL JOHANSEN  
Date: 2020.09.15 16:46:15 +05'30'  
Atle Vidar Johnsen  
Chairman  
DIN: 01361367

**SANJAY**  
**SHARMA**  
Digitally signed by SANJAY SHARMA  
Date: 2020.09.15 16:41:11 +05'30'  
Sanjay Sharma  
Director & Chief Executive Officer  
DIN: 02581107

**Ganesh**  
**Shenoy**  
**Basavanagudi**  
Digitally signed by Ganesh Shenoy Basavanagudi  
Date: 2020.09.15 16:31:58 +05'30'  
B.G.Shenoy  
Chief Financial Officer

**Kongot**  
**Aneesh**  
Digitally signed by Kongot Aneesh  
Date: 2020.09.15 16:36:58 +05'30'  
K.Aneesh  
Company Secretary  
(Membership no: 32470)

Place: Bengaluru  
Date: September 15, 2020

Place: Bengaluru  
Date: September 15, 2020