S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of MTR Foods Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of MTR Foods Private Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS 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 Ind AS 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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS 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 Ind AS 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 Ind AS Financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS 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.

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Responsibilities of Management for the Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS 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 Ind AS 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 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.

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- 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 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these Standalone Ind AS 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, 2021;

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(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 Ind AS Financial Statements – Refer Note 41(a) to the Standalone Ind AS Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
UDIN: 21208382AAAADO5010

S.R. Batliboi & Associates LLP
Bengaluru

Bengaluru
December 20, 2021

Annexure 1 referred to in our report to the members of MTR Foods Private Limited ("the Company") for the year ended March 31, 2021. 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. 460 Lakhs (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 3 in the standalone Ind AS 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, 2021 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted an 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, the 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. The loan was repaid by the Company during the year as stipulated and interest thereon of Rs. 11 Lakhs was waived by the Board of Directors of the Company. Also refer Note 45 to the Standalone Ind AS Financial Statements.

(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, other than the waived interest as stated in (b) above, in respect of which management has represented that the Company has taken reasonable steps to recover the interest.

(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 investments made, loans and guarantees given, provisions of section 186 of the Act, as applicable, have been complied with by the Company.

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Bengaluru

(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.

(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 in Lakhs)**	**Payment under protest (Rs in Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**
The Central Excise and Customs Act, 1944	Excise duty	8	-	March 2006 to May 2007	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	70	-	November 2004 to February 2006	Honorable Supreme Court of India
The Central Excise and Customs Act, 1944	Excise duty	1	-*	March 2011 to December 2012	Customs Excise Service Tax Appellate Tribunal
The Central Excise and Customs Act, 1944	Excise duty	-*	-*	January 2014 to December 2014	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	-*	-*	January 2015 to December 2015	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	11	11	March 2011 to December 2011	Customs Excise Service Tax Appellate Tribunal
The Central Excise and Customs Act, 1944	Excise duty	66	66	January 2012 to October 2013	Commissioner of Central Excise & Customs (Appeals)

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The Central Excise and Customs Act, 1944	Excise duty	43	43	November 2013 to October 2014	Commissioner of Central Excise & Customs (Appeals)
The Central Excise and Customs Act, 1944	Excise duty	38	38	November 2014 to October 2015	Commissioner of Central Excise & Customs (Appeals)
Karnataka Value Added Tax Act, 2003	VAT/ CST	251	-	December 2006 to September 2007	Honorable Supreme Court of India
Maharashtra Value Added Tax Act, 2002	VAT	97	-	April 2013 to March 2014	Joint Commissioner of Sales tax
Maharashtra Value Added Tax Act, 2002	CST	27	-	April 2014 to March 2015	Joint Commissioner of Sales tax

*Rounded off to nearest lakhs

(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 Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) of the Order is 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 Ind AS 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.

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(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

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

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

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
UDIN: 21208382AAAADO5010

S.R. Batliboi & Associates LLP Bengaluru

Bengaluru
December 20, 2021

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

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

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of MTR Foods Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Ind AS 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, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Standalone Ind AS Financial Statements.

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Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to the Standalone Ind AS 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 controls with reference to Standalone Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Standalone Ind AS 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 with reference to the Standalone Ind AS Financial Statements and such internal financial controls with reference to the Standalone Ind AS Financial Statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
UDIN: 21208382AAAADO5010

S.R. Batliboi & Associates LLP
Bengaluru

Bengaluru
December 20, 2021

MTR Foods Private Limited
Standalone Balance Sheet as at March 31, 2021
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Assets				
Non-current assets				
Property, plant and equipment	3	18,673	19,453	21,805
Capital work-in-progress	3	224	440	210
Right-of-use assets	4(a)	2,001	2,431	1,996
Intangible assets	5	138	228	280
Financial assets				
Investment in subsidiaries and associates	6(a)	188,440	4,252	3,057
Other investments	6(b)	39	-	417
Loans	7	545	513	458
Other non-current assets	8	134	114	56
Deferred tax assets (net)	9	698	509	-
		210,892	**27,940**	**28,279**
Current assets				
Inventories	10	9,000	7,227	5,453
Financial assets				
Investments	6(c)	3,093	6,676	2,019
Trade receivables	11	1,786	1,623	2,069
Loans	12	237	330	318
Cash and cash equivalents	13	766	593	59
Bank balances other than above	14	1,000	-	-
Other financial assets	15	126	132	142
Other current assets	16	1,651	1,564	1,454
		17,659	**18,145**	**11,514**
Total assets		**228,551**	**46,085**	**39,793**
Equity and liabilities				
Equity				
Equity share capital	17	1,233	981	981
Other equity	18	177,714	27,765	20,644
Total equity		**178,947**	**28,746**	**21,625**
Non-current liabilities				
Financial liabilities				
Lease liabilities	4(b)	2,698	3,066	2,572
Other financial liabilities	23(a)	29,619	-	-
Government grants	19	107	107	117
Deferred tax liabilities (net)	9	-	-	50
Other non-current liabilities	20	74	-	-
		32,498	**3,173**	**2,739**

MTR FOODS PVT. LTD. BENGALURU

S.R. Batliboi & Associates LLP Bengaluru

MTR Foods Private Limited
Standalone Balance Sheet as at March 31, 2021
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Current liabilities				
Government grants	19	-	10	10
Financial liabilities				
Lease liabilities	4(b)	435	419	324
Borrowings	21	1,000	350	1,756
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	22	1,183	622	497
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	7,889	6,651	6,820
Other financial liabilities	23(b)	3,327	2,924	2,279
Other current liabilities	24	1,170	1,332	1,884
Provisions	25	1,872	1,757	1,724
Current tax liabilities (net)	26	230	101	135
		17,106	**14,166**	**15,429**
Total liabilities		**49,604**	**17,339**	**18,168**
Total equity and liabilities		**228,551**	**46,085**	**39,793**
Summary of significant accounting policies	2.2			

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

per Aditya Vikram Bhauwala
Partner
Membership no.: 208382

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: December 20, 2021

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

Atle Vidar Johnsen
Chairman
DIN: 01361367

Place: Oslo
Date: December 20, 2021

Sanjay Sharma
Director & Chief Executive Officer
DIN: 02581107

Place: Bengaluru
Date: December 20, 2021

B.G. Shenoy
Chief Financial Officer

Place: Bengaluru
Date: December 20, 2021

K. Aneesh
Company Secretary
(Membership no: 32470)

MTR FOODS PVT. LTD. BENGALURU

Place: Bengaluru
Date: December 20, 2021

MTR Foods Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in Indian Rupees Lakhs except share data and per share data, unless stated otherwise)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	27	95,018	80,693
Other income	28	870	653
Total income		**95,888**	**81,346**
Expenses			
Cost of raw materials and packing materials consumed	29	41,412	38,516
Purchase of traded goods	30	7,154	5,238
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	31	(739)	(1,304)
Employee benefits expense	32	11,694	10,494
Depreciation and amortisation expense	33	3,066	3,108
Finance costs	34	465	602
Other expenses	35	16,787	14,116
Total expenses		**79,839**	**70,770**
Profit before exceptional items and tax		**16,049**	**10,576**
Exceptional items	37	-	1,055
Profit before tax		**16,049**	**9,521**
Tax expense:			
- Current tax	36	4,309	2,979
- Deferred tax charge / (credit)	36	(180)	(553)
Total tax expense		**4,129**	**2,426**
Profit for the year		**11,920**	**7,095**
Other comprehensive income/ (Loss) (OCI)			
Items that will not be reclassified to Statement of Profit and Loss:			
(a) Re-measurement gains/ (losses) on defined benefit plans		(26)	(26)
Income tax effect on above	36	6	6
(b) Fair value gains/ (losses) on equity instruments		(14)	-
Income tax effect on above	36	3	-
Total other comprehensive income/ (loss) for the year, net of tax		(31)	(20)
Total comprehensive income/ (loss) for the year		**11,889**	**7,075**
Earnings per equity share [nominal value of shares: Rs. 10 (March 31, 2020: Rs. 10)]			
Basic		121	72
Diluted		121	72
Weighted average number of shares used in computing earning per share (Basic and Diluted)		9,850,710	9,809,269
Summary of significant accounting policies	2.2		

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

per Aditya Vikram Bhauwala
Partner
Membership no.: 208382

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: December 20, 2021

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

Atle Vidar Johnsen
Chairman
DIN: 01361367
Place: Oslo
Date: December 20, 2021

Sanjay Sharma
Director & Chief Executive Officer
DIN: 02581107
Place: Bengaluru
Date: December 20, 2021

MTR Foods Pvt. Ltd. Bengaluru

B.G. Shenoy
Chief Financial Officer
Place: Bengaluru
Date: December 20, 2021

K. Aneesh
Company Secretary
(Membership no: 32470)
Place: Bengaluru
Date: December 20, 2021

MTR Foods Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2021
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flows from operating activities			
Profit before tax		16,049	9,521
Adjustments to reconcile profit before tax to net cash flows:			
Exceptional items		-	1,055
Government grants received		(10)	(10)
Share based payment expenses		46	46
Depreciation of property, plant and equipment		2,398	2,428
Amortisation of intangible assets		161	155
Depreciation on right-of-use assets		507	525
Interest expense - others		124	175
Interest expense - lease liabilities		352	397
Unwinding of security deposit		(21)	(19)
Gain on termination/modification of right-of-use assets		-	(18)
Provision for doubtful debts and advances		6	72
(Profit)/ loss on sale of current investments		(514)	(288)
Bad debts / Advance written off		5	-
Fair value gain on financial instruments at fair value through profit and loss		(10)	(2)
Liabilities no longer required written back		(50)	(61)
(Gain)/Loss on sale of property plant and equipment		(15)	7
Assets written off		3	32
Interest income		(60)	(8)
Loss on assets held for sale		18	-
Unrealised foreign exchange loss/(gain)		(23)	24
Operating profit before working capital changes		**18,966**	**14,031**
Movements in Working capital :			
Decrease / (increase) in trade receivables		(154)	449
Decrease / (increase) in inventories		(1,773)	(1,774)
Decrease/(increase) in financial assets and other assets		(224)	(166)
Increase/(decrease) in trade payable		1,807	21
Increase/(decrease) in financial liabilities and other liabilities		(124)	85
Increase/(decrease) in provisions		90	7
Cash generated from operations		**18,588**	**12,653**
Direct tax paid (net)		(4,199)	(3,019)
Net cash from operating activities (A)		**14,389**	**9,634**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances)		(1,395)	(1,526)
Proceeds from sale of property, plant and equipment		26	8
Purchase of units of mutual funds		(38,300)	(23,100)
Sale of units of mutual funds		42,400	18,733
Loan to subsidiary company		(850)	(100)
Repayment of loan by subsidiary company		900	50
Loan to Associate		-	(75)
Repayment of loan by associate		75	-
Proceeds from disposal of stake in associate		175	-
Investments in bank deposits (having original maturity of more than three months)		(3,000)	-
Proceeds of Investment in bank deposits (having original maturity of more than three months)		2,000	-
Investment in shares of associates		-	(900)
Claim Proceeds from insurance company (exceptional items)		-	67
Investment in shares of subsidiary		(127,438)	-
Interest received		52	1
Net cash used in investing activities (B)		**(125,355)**	**(6,842)**

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S.R. Batliboi & Associates LLP Bengaluru

MTR Foods Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2021
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash flow from financing activities			
Proceeds from issue of equity shares on a rights basis, net of issue related expenses		111,266	-
Proceeds from short term borrowings		1,000	2,100
Repayment of short term borrowings		(350)	(3,506)
Interest paid		(32)	(147)
Repayment of lease liabilities		(393)	(308)
Interest on lease liabilities paid		(352)	(397)
Net cash from/ (used in)financing activities (C)		**111,139**	**(2,258)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**173**	**534**
Cash and cash equivalents at the beginning of the year		593	59
Cash and cash equivalents at the end of the year		**766**	**593**
Components of cash and cash equivalents			
Balances with banks:			
On current accounts		764	590
Cash on hand		2	3
Total cash and cash equivalents (refer note 13)		**766**	**593**
Summary of significant accounting policies	2.2		

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

per Aditya Vikram Bhauwala
Partner
Membership no.: 208382

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: December 20, 2021

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

Atle Vidar Johnsen
Chairman
DIN: 01361367

Place: Oslo
Date: December 20, 2021

Sanjay Sharma
Director & Chief Executive Officer
DIN: 02581107

Place: Bengaluru
Date: December 20, 2021

MTR FOODS PVT. LTD. BENGALURU

B.G. Shenoy
Chief Financial Officer

Place: Bengaluru
Date: December 20, 2021

K. Aneesh
Company Secretary
(Membership no: 32470)

Place: Bengaluru
Date: December 20, 2021

MTR Foods Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2021
(All amounts are in Indian Rupees Lakhs, except share data and per share data, unless otherwise stated)

a) Equity Share Capital

	Nos.	Amount
Equity shares of Rs. 10 each, issued, subscribed and fully paid-up		
As at April 1, 2019	9,809,269	981
As at March 31, 2020	9,809,269	981
As at March 31, 2021	12,330,269	1,233

For movement in share capital, refer note 17.

b) Other Equity

	Reserve and Surplus				Shares to be issued on account of investment in subsidiary (refer note:50)	Other comprehensive income	Total
	Security premium reserve	Capital redemption reserve	Retained earnings	Other equity Shared based payment		Fair value gains/ (losses) on equity instruments	
As at April 1, 2019	-	337	20,155	-		152	**20,644**
Profit for the year			7,095				7,095
Other comprehensive income (net of tax)			(20)			-	(20)
Total Comprehensive Income for the year			**7,075**	-	-	-	**7,075**
Compensation cost related to employee share based payment plans (refer note 42)			-	46			46
Cross charge from ultimate holding company for employee share based payment plans			-	-			-
As at March 31, 2020	-	**337**	**27,230**	**46**	-	**152**	**27,765**
Issue of shares during the year	111,014	-	-				111,014
Profit for the year			11,920				11,920
Other comprehensive income (net of tax)			(20)			(11)	(31)
Total Comprehensive Income for the year			**11,900**			**(11)**	**11,889**
Compensation cost related to employee share based payment plans (refer note 42)			-	85			85
Cross charge from ultimate holding company for employee share based payment plans			-	(39)			(39)
Redeemable optionally convertible preference shares (ROCPS) to be issued on account of acquisition					27,000		27,000
As at March 31, 2021	**111,014**	**337**	**39,130**	**92**	**27,000**	**141**	**177,714**

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

per Aditya Vikram Bhauwala
Partner
Membership no.: 208382

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: December 20, 2021

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

Atle Vidar Johnsen
Chairman
DIN: 01361367

Place: Oslo
Date: December 20, 2021

Sanjay Sharma
Director & Chief Executive Officer
DIN: 02581107

Place: Bengaluru
Date: December 20, 2021

B.G. Shenoy
Chief Financial Officer

Place: Bengaluru
Date: December 20, 2021

MTR FOODS PVT. LTD. BENGALURU

K. Aneesh
Company Secretary
(Membership no: 32470)

Place: Bengaluru
Date: December 20, 2021

MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

3 Property, plant and equipment

	Land**	Buildings	Leasehold Improvements***	Plant and Machinery	Office Equipment	Electrical Fittings	Furniture and Fixtures	Vehicles	Total
Deemed Cost									
At April 1, 2019	4,440	5,694	41	10,371	152	651	455	1	**21,805**
Additions	-	60	-	969	76	1	1	-	**1,107**
Disposals	-	-	-	-	-	-	-	-	**-**
Transfer to asset held for sale	-	(1)	-	(29)	-	(1)	-*	-	**(31)**
At March 31, 2020	**4,440**	**5,753**	**41**	**11,311**	**228**	**651**	**456**	**1**	**22,881**
Additions	-	55	-	1,374	84	42	27	36	**1,618**
Disposals	-	-	-	-	-	-	-	(1)	**(1)**
Transfer to asset held for sale	-	-	-	(56)	-	-	-	(1)	**(57)**
At March 31, 2021	**4,440**	**5,808**	**41**	**12,629**	**312**	**693**	**483**	**35**	**24,441**
Depreciation and impairment									
At April 1, 2019	-	-	-	-	-	-	-	-	**-**
Depreciation for the year (refer note 33)	-	327	15	1,821	85	105	74	1	**2,428**
Impairment charge	-	-	-	1,000	-	-	-	-	**1,000**
Disposals	-	-	-	-	-*	-	-	-	**-**
Transfer to asset held for sale	-	-*	-	-*	-	-*	-*	-	**-**
At March 31, 2020	**-**	**327**	**15**	**2,821**	**85**	**105**	**74**	**1**	**3,428**
Depreciation for the year (refer note 33)	-	330	6	1,790	93	104	73	2	**2,398**
Disposals	-	-	-	-	-	-	-	(1)	**(1)**
Transfer to asset held for sale	-	-	-	(56)	-	-	-	(1)	**(57)**
At March 31, 2021	**-**	**657**	**21**	**4,555**	**178**	**209**	**147**	**1**	**5,768**
Net carrying value as at:									
At April 1, 2019	**4,440**	**5,694**	**41**	**10,371**	**152**	**651**	**455**	**1**	**21,805**
At March 31, 2020	**4,440**	**5,426**	**26**	**8,490**	**143**	**546**	**382**	**-**	**19,453**
At March 31, 2021	**4,440**	**5,151**	**20**	**8,074**	**134**	**484**	**336**	**34**	**18,673**

(i) The Company has elected to carry forward the carrying values of the Property, plant and equipment as on March 31, 2019 under the Previous GAAP as deemed cost on the transition date (April 1, 2019) under Ind AS 101 'First-time adoption of Indian Accounting Standards'.(Refer note 49)

(ii) ** Title deed pertaining to Land (Plot 88), with a cost of Rs 460 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 deemed cost of immovable assets located in the land premises is Rs. 290 as at April 1, 2019. The net book values of such immovable assets as at March 31, 2020 and March 31, 2021 are Rs.273 and Rs.256 respectively.

(iii) *** Leasehold improvements included assets which were obtained under finance lease arrangement, having deemed cost of Rs.59 as at April 1, 2019. These were reclassified to right-of-use assets as at April 1,2019 at their respective deemed cost carrying values.

* Rounded off to nearest lakhs

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

Cost	Total
At April 1, 2019	210
Additions	421
Capitalised	(191)
At March 31, 2020	**440**
Additions	191
Capitalised	(407)
At March 31, 2021	**224**

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

4 Right-of-use assets and lease liabilities

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

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	2,431	-
ROU recognised as on April 1, 2019 on transition to Ind AS -116 (refer note: 49)	-	1,996
Additions	78	614
Amortization (refer note 33)	(507)	(525)
Deletions	(1)	(90)
Adjustments due to modification [refer note (i) below]	-	436
At the end of the year	**2,001**	**2,431**

(4b) Lease liabilities

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	3,485	-
Liabilities recognised as on April 1, 2019 on transition to Ind AS -116 (refer note: 49)	-	2,896
Additions	70	461
Retirements	-	-
Interest expense on lease liabilities	352	397
Lease rent concession	(29)	-
Payments	(745)	(705)
Adjustment due to modification [refer note (i) below]	-	436
Closing balance	**3,133**	**3,485**

Note :

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

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Non-current	2,698	3,066	2,572
Current	435	419	324

The following are the amounts recognised in profit and loss :

	Year ended March 31, 2021	Year ended March 31, 2020
Gain on retirement of right-of-use assets	-	18
Depreciation expense of right-of-use assets(refer note 33)	507	525
Interest expense on lease liabilities(refer note 34)	352	397
Expense relating to short-term leases (included in other expenses)	563	436
Expense relating to leases of low value assets (included in other expenses)	43	45
Rent concession	(29)	-

The Company adopted Ind AS 116 "leases" effective April 01, 2019 using modified retrospective method. The Company has recognised on April 01, 2019, right-of-use assets of Rs. 1,996 and lease liabilities of Rs. 2,896 (refer note: 49)

Also refer note 40 for other disclsoures in respect of leases.

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S.R. Batliboi & Associates LLP Bengaluru

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

5 Intangible assets

	Computer software	Total
Deemed Cost		
At April 1, 2019	280	**280**
Additions	103	**103**
Disposals	-	-
At March 31, 2020	**383**	**383**
Additions	71	**71**
Disposals	-	-
Adjustments	-	-
At March 31, 2021	**454**	**454**
Depreciation		
At April 1, 2019	-	-
Charge for the year	155	**155**
Disposals	-	-
At March 31, 2020	**155**	**155**
Charge for the year	161	**161**
Disposals	-	-
Adjustments	-	-
At March 31, 2021	**316**	**316**
Net carrying value as at:		
At April 1, 2019	**280**	**280**
At March 31, 2020	**228**	**228**
At March 31, 2021	**138**	**138**

Note:

(i) The Company has elected to carry forward the carrying values as on March 31, 2019 under the Previous GAAP as deemed cost on the transition date (April 1, 2019) under Ind AS 101 'First-time adoption of Indian Accounting Standards' (refer note 49). The Company has other intangible assets comprising Patents and Trademarks and Brands whose net book value as at April 1, 2019 is NIL.

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

6 Investments

Non-Current Investments

6(a) Investment in subsidiaries and associates

		As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
In subsidiaries: (at cost unless stated otherwise)				
Unquoted equity shares:				
50,000 (March 31, 2020: 50,000; April 01, 2019: 50,000) Equity shares of Rs. 10 each fully paid-up in Rasoi Magic Foods (India) Private Limited [refer note (i) below]		2,707	2,707	2,707
96,56,900 (March 31, 2020: Nil; April 01, 2019: Nil) Equity shares of Rs. 10 each fully paid-up in Eastern Condiments Private Limited [refer note: 50]		184,416	-	-
	(A)	**187,123**	**2,707**	**2,707**
In associates: (at cost unless stated otherwise)				
Unquoted equity shares:				
1,403 (March 31, 2020: 8,065; April 01, 2019: 8,065) Equity shares of Rs.10 each fully paid-up in Firmroots Private Limited [refer note (ii) below] (also refer note 6b below)		-	350	350
Less: Provision for diminution in the value of investment		-	(122)	-
		-	228	350
3,514 (March 31, 2020: 3,514; April 01.2019: 1,112) Equity shares of Rs.10 each fully paid-up in Pot Ful India Private Limited [refer note (iii) below] (Goodwill on acquisition of Rs.1,105)		1,317	1,317	-
	(B)	**1,317**	**1,545**	**350**
Total	(A+B)	**188,440**	**4,252**	**3,057**

6(b) Other Investments: (Carried at fair value through other comprehensive income)

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Unquoted equity instruments:			
1,403 (March 31, 2020: 8,065; April 01, 2019: 8,065) Equity shares of Rs.10 each fully paid-up in Firmroots Private Limited [refer note (ii) below]	39	-	-
3,514 (March 31, 2020: 3,514; April 01.2019: 1,112) Equity shares of Rs.10 each fully paid-up in Pot Ful India Private Limited [refer note (iii) below] (also refer note 6a above)	-	-	417
Total	**39**	**-**	**417**

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

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Unquoted mutual funds:			
Aditya Birla Sun Life Overnight Fund NIL (March 31, 20: 381,505.864 units; April 01, 2019: NIL)	-	4,121	-
Aditya Birla Sun Life Liquid Fund 517,397.591 units (March 31, 2020 : 485.81 units; April 01, 2019: NIL)	1,716	2	-
ICICI Prudential Overnight Fund NIL (March 31, 2020 : 2,368,265.42 units; April 01, 2019: NIL)	-	2,552	-
ICICI Prudential Liquid Fund 451,559.058 units (March 31, 2020 : 392.56 units; April 01, 2019: NIL)	1,377	1	-
DSP BlackRock Liquidity Fund NIL (March 31, 2020: NIL; April 01, 2019: 36,317.699 units)	-	-	971
Aditya Birla Sun Life Cash Plus Fund NIL (March 31, 2020 : NIL; April 01, 2019: 348,841.623 units)	-	-	1,048
Total	**3,093**	**6,676**	**2,019**
Aggregate book value of unquoted investments	191,572	10,928	5,493
Aggregate amount of impairment in value of investments	-	(122)	-

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S.R. Batliboi & Associates LLP Bengaluru

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

Note:

i) As at March 31, 2021, Rasoi Magic Foods (India) Private Limited ("Rasoi") has a negative net worth of Rs. 309 (March 31, 2020 : Rs. 636; April 01, 2019: Rs. 551). 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) On October 13, 2017, the Company had acquired 8,065 shares of Firmroots Private Limited ('FPL'), comprising of 43% shareholding, at fair value of Rs. 4,340 per share. During the year ended March 31, 2020, FPL had converted its Series A CCPS into equity shares, reducing the Company's shareholding to 33%. As at March 31, 2020, on account of continued losses incurred by FPL, the Company had recognised an impairment loss allowance of Rs. 1,513 per share. During the year ended March 31, 2021, the Company sold 6,662 shares of FPL at fair value of Rs. 2,627 per share, resulting into loss of Rs.200 per share. This loss is set off from the impairment allowance recognised in the year ended March 31, 2020. As at March 31, 2021, the Company has 5.54% shareholding in FPL resulting into FPL ceasing to be an associate of the Company w.e.f December 24, 2020. Accordingly, investments in FPL as at March 31, 2021 has been remeasured at fair value through OCI as per Ind AS 109.

iii) On December 1, 2018, the Company had acquired 1,112 shares of Pot Ful India Private Limited ('Pot Ful'), comprising of 10% shareholding in Pot Ful as at April 1, 2019. During the year ended March 31, 2020, the Company acquired 252 equity shares from the promoters of Pot Ful and subscribed to 2,150 equity shares resulting in 26.5% shareholding in Pot Ful. Effective July 15, 2019 Pot Ful became an associate of the Company.

7 Non current - loans (at amortised cost)

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Unsecured, considered good			
Loans to employees	54	46	26
Security deposit for lease premises	265	243	172
Other deposits	226	224	260
	545	**513**	**458**
Sub-classification of Loans:			
Loan receivables considered good- Secured	-	-	-
Loan receivables considered good- Unsecured	545	513	458
Loan receivables which have significant increase in credit risk	-	-	-
Loan receivables - credit impaired	-	-	-
	545	**513**	**458**

8 Other non-current assets

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Capital advances	90	114	56
Prepaid expenses	44	-	-
	134	**114**	**56**

9 Deferred tax assets /(liability)[net]

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Deferred tax assets /(liability)[net]	698	509	(50)
	698	**509**	**(50)**

Deferred tax relates to the following

	Standalone Balance sheet			Standalone statement of Profit and loss and OCI	
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment: Difference in written down value as per Companies Act, 2013 and as per Income tax Act for the financial reporting period	(345)	(471)	(1,154)	(126)	(683)
Employee retirement benefit expenditure and bonus payable charged to the statement of profit and loss account but allowed for tax purposes on payment basis	375	347	358	(28)	11
Impact of Ind AS-116 ROU assets & lease liabilities	285	265	314	(20)	49
Other expenses allowable in tax on payment basis	383	368	432	(15)	64
Net deferred tax assets/ (liabilities)	**698**	**509**	**(50)**	**(189)**	**(559)**

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MTR FOODS PVT. LTD. BENGALURU

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

Reconciliation of deferred tax assets (net)	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the year	509	(50)
Tax income/(expense) during the year recognised in profit or loss	180	553
Tax income/(expense) during the year recognised in OCI	9	6
Balance at the end of the year	**698**	**509**

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from FY 2019-20. Accordingly, the Company had re-measured opening net deferred tax assets in previous year.

10 Inventories

	As at March 31, 2021	**As at March 31, 2020**	**As at April 1, 2019**
At lower of cost and net realisable value			
Raw materials (includes Goods-in-transit Rs.125 (March 31, 2020: Rs. Nil; April 1, 2019: Rs. Nil)	2,659	2,224	1,646
Packing materials	1,280	655	803
Work-in-progress	250	312	233
Finished goods	3,736	3,024	1,797
Traded goods	509	420	422
Stores, spares and consumables	566	592	552
	9,000	**7,227**	**5,453**

As at March 31, 2021 Rs. 182 (March 31, 2020; Rs. 476, April 1, 2019 Rs. 56) was recognised as provision towards slow moving inventories.

11 Trade receivables

	As at March 31, 2021	**As at March 31, 2020**	**As at April 1, 2019**
Trade receivables include:			
Receivable from related parties (refer note 45)	58	75	175
Receivable from others	1,728	1,548	1,894
	1,786	**1,623**	**2,069**
Break-up for security details:			
Secured, considered good	-	-	-
Unsecured , considered good	1,786	1,623	2,069
Trade Receivables, which have significant increase credit risk	-	-	-
Trade Receivables, credit impaired	90	84	114
	1,876	1,707	2,183
Less: Allowance for expected credit loss	(90)	(84)	(114)
	1,786	**1,623**	**2,069**

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

For terms and condition relating to related party receivables, refer note 45.

All trade receivables are generally non-interest bearing and are on terms of 7 to 30 days, except for export sales which are generally on terms of 30-60 days, however the same vary from for each customer on basis of agreed terms. They are recognised at their original invoice amount which represent their fair value on initial recognition.

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S.R. Batliboi & Associates LLP Bengaluru

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

12 Current financial assets- Loans

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Loans to employees	167	161	182
Loans to related parties (refer note (i) below)	-	125	-
Security deposit for lease premises	70	44	136
	237	**330**	**318**
Sub-classification of Loans:			
Loan receivables considered good- Secured	-	75	-
Loan receivables considered good- Unsecured	237	255	318
Loan receivables which have significant increase in credit risk	-	-	-
Loan receivables - credit impaired	-	-	-
	237	**330**	**318**
i) Loans to related parties comprise of the following:			
a) Rasoi Magic Foods (India) Private Limited (Subsidiary)	-	50	-
Maximum amount outstanding during the year	-	100	50
b) Firmroots Private Limited (Associate)	-	75	-
Maximum amount outstanding during the year	75	75	-

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

13 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Balances with banks:			
On current accounts	764	590	57
Cash on hand	2	3	2
	766	**593**	**59**

14 Bank balances other than above

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	1,000	-	-
	1,000	**-**	**-**

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

	As at April 1, 2020	Adjustment	Cash flows (net)	Non-cash changes		As at March 31, 2021
				Fair Value adjustments	Others	
Investing activities						
Non-current investments (also refer note: 50)	4,252	-	127,263	(14)	56,978	188,479
Current investments	6,676	-	(4,100)	3	514	3,093
Total	**10,928**	**-**	**123,163**	**(11)**	**57,492**	**191,572**
Financing activities						
Current borrowings	350	-	650	-	-	1,000
Lease liabilities	3,485	-	(745)	-	393	3,133
Total	**3,835**	**-**	**(95)**	**-**	**393**	**4,133**

Year ended March 31, 2020

	As at April 1, 2019	Adjustment	Cash flows (net)	Non-cash changes		As at March 31, 2020
				Fair Value adjustments	Others	
Investing activities						
Non-current investments	3,474		900	-	(122)	4,252
Current investments	2,019	-	4,367	2	288	6,676
Total	**5,493**	**-**	**5,267**	**2**	**166**	**10,928**
Financing activities						
Current borrowings	1,756	-	(1,406)	-	-	350
Lease liabilities	2,896	897	(705)	-	397	3,485
Total	**4,652**	**897**	**(2,111)**	**-**	**397**	**3,835**

15 Current financial assets-Others

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Other receivables	102	124	117
Interest accrued on fixed deposits	16	6	-
Derivate assets (refer below note)	8	2	25
	126	**132**	**142**

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

16 Other Current Assets

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Unsecured, considered good			
Prepaid expenses	225	225	197
Balances with statutory/ government authorities	983	1,029	775
Advances recoverable in kind**			
Unsecured, considered good	339	193	344
Unsecured, considered doubtful	18	119	23
	357	312	367
Less: provision for doubtful advances	(18)	(119)	(23)
	339	193	344
Export incentive receivables	104	86	124
Property, plant and equipment held for sale	-*	31	14
	1,651	**1,564**	**1,454**

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

*Rounded off to the nearest lakhs

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MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2021
(All amounts are in Indian Rupees Lakhs except share data and per share data, unless stated otherwise)

17 Share Capital

a) Authorised shares	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
As at the beginning of the year	50,000,000	5,000	50,000,000	5,000	50,000,000	5,000
Increase during the year	-	-	-	-	-	-
As at the end of the year	**50,000,000**	**5,000**	**50,000,000**	**5,000**	**50,000,000**	**5,000**
Issued, subscribed and paid-up share capital						
Equity shares of Rs.10 each fully paid up	12,330,269	1,233	9,809,269	981	9,809,269	981
Total issued, subscribed and paid-up share capital	**12,330,269**	**1,233**	**9,809,269**	**981**	**9,809,269**	**981**

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

	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
As at the beginning of the year	9,809,269	981	9,809,269	981	11,183,000	1,118
Add: Issued during the year	2,521,000	252	-	-	-	-
Less: Shares bought back during the year (refer note f below)			-	-	(1,373,731)	(137)
	12,330,269	**1,233**	**9,809,269**	**981**	**9,809,269**	**981**

During the year ended March 31, 2021, the Board of Directors approved a Rights Issue of the equity shares and approved by the members of the Company vide resolution dated March 26, 2021 at securities premium of Rs. 4,408 per equity share.

c) Terms/ rights attached to equity shares

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

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

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

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

	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
(i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company Equity shares of Rs. 10 each fully paid up	12,330,209	1,233	9,809,269	981	9,809,209	981
(ii) Orkla Food Ingredients AS, Norway, Associate Company Equity shares of Rs. 10 each fully paid up	60	-*	60	-*	60	-*

* Rounded off to nearest lakhs

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(All amounts are in Indian Rupees Lakhs except share data and per share data, unless stated otherwise)

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

	As at March 31, 2021		As at March 31, 2020		As at April 1, 2019	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Equity shares of Rs.10 each fully paid						
Orkla Asia Pacific Pte Ltd, Singapore	12,330,209	99.9995%	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.

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

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Equity shares bought back by the Company	3,373,731	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.6,800.The amount paid towards buy-back of shares in excess of the face value, was appropriated out of Securities premium account, amounted to Rs.1,955 and out of Surplus in the Statement of Profit and Loss amounted to Rs.4,708.The Company extinguished the above mentioned shares as on March 31, 2019 and created Capital Redemption Reserve of Rs.137 by way of appropriation against Surplus in the Statement of Profit and Loss amounting to Rs.137.

18 Other Equity

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Capital redemption reserve	337	337	337
Retained earnings	39,130	27,230	20,155
Security Premium Reserve (Net off stamp duty on issue of shares of Rs.111)	111,014	-	-
Other equity(Share based payment)	92	46	-
Other comprehensive income (Fair value gain/(loss) on equity investment)	141	152	152
Shares to be issued on account of investment in subsidiary (refer note:50)	27,000	-	-
Total other equity	**177,714**	**27,765**	**20,644**

Note : refer Standalone statement of changes in equity, for movement of other equity.

A. Description, nature and purpose of reserves:

i. **Capital redemption reserve**: The Company has bought back equity shares and as per the provisions of the Companies Act, 2013, the Company is required to create capital redemption reserve out of the profits of the Company available for distribution of dividend. The reserve can be utilized against issue of fully paid up bonus shares of the Company.

ii. **Retained earnings:** It comprises of the accumulated profits/(loss) of the Company.

iii. **Security Premium Reserve:** Securities Premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

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

19 Government grants

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Grant received for capital assets under Export Promotion Capital Goods (EPCG) scheme (refer note 44b)	107	107	107
Others	-	10	20
	107	**117**	**127**

Movement in liability is as follows:		As at March 31, 2021	As at March 31, 2020
Opening balance		117	127
Received during the year		-	-
Released to the statement of profit and loss		(10)	(10)
Refunded		-	-
Closing balance		**107**	**117**
Current	-	10	10
Non-current	107	107	117

20 Other non-current liabilities

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Interest on Government grants (refer note 44b)	74	-	-
	74	-	-

21 Borrowings

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Short term loan from Bank (Unsecured) [refer note (i) below]	1,000	350	1,600
Loan repayable on demand:			
Bank overdraft (unsecured) [refer note (ii) below]	-	-	156
	1,000	**350**	**1,756**

Details of security and terms of repayment

i) The Company has taken a short term loan of Rs. 1,000 (March 31, 2020 : Rs. 350 ; April 01, 2019: Rs. 1,600) for a duration of less than 1 year and carrying at floating interest rate range between 3.02% to 3.53% (March 31, 2020 : 8.15% per annum; April 01, 2019: 6.20% to 6.50% per annum).

ii) The Company had obtained an unsecured overdraft facility of Rs. Nil (March 31, 2020 : Rs. Nil; April 01, 2019 : Rs.156 from a bank, carrying interest rate of Nil (March 31, 2020 : Nil; April 01, 2019 : 11.40% per annum)

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22 Trade payables

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Total outstanding dues of micro and small enterprises (refer note below)	1,183	622	497
Total outstanding dues of creditors other than micro and small enterprises*	7,889	6,651	6,820
	9,072	7,273	7,317

* Includes payable to related parties (refer note 45)
* Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms.

Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006

		As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
(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**	1,275	668	511
	Interest due on above	6	-*	6
(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	844	988	1,047
	Interest	4	3	-
(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 the MSMED Act, 2006.	8	-	12
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	14	-	18
(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.	14	-*	68

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

**includes payable towards capital creditors as on March 31, 2021 to the extent of Rs. 92 (March 31, 2020: Rs.46; April 01, 2019: Rs.14)
* Rounded off to nearest lakhs

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23 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
23(a) Other Non Current financial liabilities			
Liability on account of investment in subsidiary (refer note: 50)	29,619	-	-
	29,619	**-**	**-**
23(b) Other Current financial liabilities			
Interest accrued and due on borrowings	-	-*	1
Payable to employees	2,367	2,233	1,715
Payable for purchase of capital goods**	195	170	167
Deposits from suppliers	44	53	45
Refund liabilities (refer note 27 (d))	361	468	351
Liability on account of investment in subsidiary(refer note: 50)	360	-	-
	3,327	**2,924**	**2,279**

**Includes outstanding dues to micro & small enterprises of Rs.92 (March 31, 2020 : Rs. 46; April 01,2019: Rs.14)

* Rounded off to nearest lakhs

24 Other current liabilities

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Statutory dues payable *	368	463	1,629
Payable towards CSR expenditure	103	-	-
Contract liabilities (advance from customers) (refer note 27(c))	699	869	255
	1,170	**1,332**	**1,884**

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

25 Provisions

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Employee benefit Obligation:			
Provision for gratuity (refer note 38)	157	157	201
Provision for compensated absences	573	458	381
Other provisions (refer note 41(i))	1,142	1,142	1,142
Total	**1,872**	**1,757**	**1,724**

26 Current tax liabilities (net)

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Income tax liabilities (net of advance tax)	230	101	135
	230	**101**	**135**

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

27 Revenue from operations

		Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	**(A)**	**94,772**	**80,386**
Other operating revenue:			
Scrap sales		121	106
Export incentives		104	189
Others		21	12
	(B)	**246**	**307**
Total revenue from operations	**(A+B)**	**95,018**	**80,693**

(a) Disclosure of disaggregated revenue recognised in the Standalone Statement of Profit and Loss based on geographical segment:

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from customers within India	86,191	72,813
Revenue from customers outside India	8,827	7,880
Revenue as per the Standalone Statement of Profit and Loss	**95,018**	**80,693**

(b) Timing of revenue recognition

	Year ended March 31, 2021	Year ended March 31, 2020
Goods transferred at a point in time	94,772	80,386
Goods transferred over time	-	-
	94,772	**80,386**

(c) Contract balances

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Contract assets - Trade receivables (refer note 11)	1,786	1,623	2,069
Contract liabilities - Advance from customers (refer note 24)	699	869	255

(d) Refund liabilities :

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Refund Liabilities	361	468	351

(e) Reconciliation of revenue as recognised in the Standalone Statement of Profit and Loss with the contracted price:

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	99,961	86,442
Less:		
Sales return	(985)	(1,301)
Discounts and volume rebates	(3,958)	(4,448)
Revenue as per the Standalone Statement of Profit and Loss	**95,018**	**80,693**

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28 Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
Loan to subsidiary company	1	2
Loan to associates	-	6
Bank deposit	54	-
Others	5	-*
Unwinding of security deposit	21	19
Gain on termination/modification of right-of-use assets	-	18
Gain on sale of Property, plant and equipment	15	-
Profit on sale of investments in units of mutual funds	514	288
Fair value gain on financial instruments at FVTPL	10	2
Lease rent concession(refer note 4b)	29	-
Gain on foreign exchange fluctuations	78	195
Other non-operating income	143	123
	870	**653**

* Rounded off to nearest lakhs

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

29 Cost of raw material and packing materials consumed

	Year ended March 31, 2021	Year ended March 31, 2020
a) Raw materials		
Inventory at the beginning of the year	2,224	1,646
Add: Purchases (net)	36,911	33,539
	39,135	35,185
Less: Inventory at the end of the year	2,659	2,224
	36,476	**32,961**
b) Packing materials		
Inventory at the beginning of the year	655	803
Add: Purchases (net)	5,561	5,407
	6,216	6,210
Less: Inventory at the end of the year	1,280	655
	4,936	**5,555**
Total (a+b)	**41,412**	**38,516**

30 Purchase of stock-in-trade

Purchase of stock-in-trade	7,154	5,238
	7,154	**5,238**

31 Changes in inventories of finished goods, work-in-progress and traded goods

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year		
Traded goods	420	422
Work in progress	312	233
Finished goods	3,024	1,797
	3,756	**2,452**
Inventories at the end of the year		
Traded goods	509	420
Work in progress	250	312
Finished goods	3,736	3,024
	4,495	**3,756**
Decrease/ (increase) in inventories	**(739)**	**(1,304)**

32 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	9,950	8,996
Contribution to provident and other funds(refer note 38)	396	391
Gratuity expense (refer note 38)	149	139
Staff welfare expenses	1,114	922
Share based payment (refer note 42)	85	46
	11,694	**10,494**

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

33 Depreciation and amortisation expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Property, plant and equipment (refer note 3)	2,398	2,428
Amortisation of Intangible assets (refer note 5)	161	155
Depreciation of Right-of-use assets (refer note 4)	507	525
	3,066	**3,108**

34 Finance Costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on borrowings	32	145
Interest expense on lease liabilities (refer note 4b)	352	397
Net loss on marked to market accounting of forward contracts	-	23
	384	**565**
Bank charges	63	31
Interest on income tax	18	6
	81	**37**
	465	**602**

35 Other Expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	451	385
Power and fuel	1,159	1,263
Processing & water charges	313	274
Repairs and maintenance		
Plant and machinery	618	499
Buildings	202	151
Others	859	582
Rent (refer note 40)	79	37
Rates and taxes	226	133
Insurance	133	81
Communication costs	27	36
Travelling and conveyance	172	598
Legal and professional fees	1,369	751
Payments to auditors [refer note (i) below]	94	47
Advertising and sales promotion	6,812	5,408
Freight and forwarding charges	2,725	2,313
Sales commission	612	699
Provision for doubtful debts and advances	6	72
Loss on sale of Property, plant and equipment (net)	-	7
Loss on Assets held for sale	18	-
Advance Written off	5	-
Assets written off/Scrapping	3	32
CSR expenses [refer note (39)]	183	38
Miscellaneous expenses	721	710
	16,787	**14,116**

Note (i): Payment to auditors :		
As auditor:		
Audit fee	87	39
In other capacity:		
Other services	7	6
Reimbursement of expenses	-	2
	94	**47**

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

36 Income Tax Expense

	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax charge	4,309	2,979
Deferred tax	(180)	(553)
Total	**4,129**	**2,426**
Deferred tax related to items recognised in OCI during the year		
Re-measurement gains/ (losses) on defined benefit plans	(6)	(6)
Fair value gains/ (losses) on equity instruments	(3)	-
Total	(9)	(6)

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

Accounting profit/ (loss) before income tax	**16,049**	**9,521**
Tax expense/(credit) at India's statutory income tax rate of 25.168%	4,039	2,396
Tax effect of:		
Non-deductible expenses for tax purposes	85	31
Effect of tax rate change	-	(2)
Others	5	1
Total	**4,129**	**2,426**

37 Exceptional Items

	Year ended March 31, 2021	Year ended March 31, 2020
Claim Proceeds from insurance company (refer note (i) below)	-	(67)
Provision for diminution in the value of investment in associate (refer note 6/	-	122
Impairment of property, plant and equipment (refer note (ii) below)		1,000
	-	**1,055**

i) Pursuant to fire incident on March 21, 2018, certain Property, plant and equipment, 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.230 arising from such incident during the year ended March 31, 2018. The Company has received a disbursement of Rs. NIL (March 31,2020:Rs.67) from the insurance company against the loss till March 31, 2021.The aforementioned receivable and the disbursements from the insurance claim has been presented on a net basis as Rs. NIL (March 31,2020:Rs 67) 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.

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38 Employee Benefit Obligation

A. Defined contribution plans

The Company makes contribution determined as a specified percentage of employee salaries. in respect of qualifying employees towards provident fund which is a defined contribution plan. For provident fund, the Company has an obligation under law to make the specified contribution and the contribution are charged to profit and loss account. The amount recognised as an expense towards contribution to the provident fund during the year aggregated to Rs.396. (March 31, 2020: Rs. 391).

Amount recognised as an expense and included in Note - 32 as "Contribution to provident and other funds"	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Contribution to Government Provident Fund	395	390
Contribution to Employee State Insurance (ESI)	1	1
Total	396	391

B. Defined benefit plans

1. Gratuity

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

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

Net defined benefit obligation (DBO)

	As at March 31, 2021	**As at March 31, 2020**	**As at April 01, 2019**
Present value of defined benefit obligation	(2,066)	(1,790)	(1,595)
Fair value of plan assets	1,907	1,632	1,394
Unrecognised past service cost	-	-*	-*
	(159)	**(158)**	**(201)**

* Rounded off to nearest lakh

a. Reconciliation of net defined benefit liability/(asset)

(i) Reconciliation of present value of defined benefit obligation	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Opening defined benefit obligation	1,790	1,595
Current service cost	138	123
Net interest cost	123	121
Benefits paid	(17)	(70)
Actuarial (gain)/ losses recognised in other comprehensive income		
- changes in demographic assumptions	-	9
- changes in financial assumptions	71	79
- experience adjustments	(39)	(67)
Closing defined benefit obligation	**2,066**	**1,790**

(ii) Reconciliation of present value of plan assets

Balance at the beginning of the year	1,633	1,394
Employer's Contribution	173	209
Benefits paid	(17)	(70)
Expected return	112	105
Actuarial gains / (losses)	6	(5)
Balance at the end of the year	**1,907**	**1,633**

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

b. Net benefit expense	**Year ended March 31, 2021**	**Year ended March 31, 2020**
(i) Recognised in profit or loss		
Current service cost	138	123
Interest cost	123	121
Expected return on plan assets	(112)	(105)
	149	**139**
(ii) Remeasurement recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation		
- changes in demographic assumptions	-	9
- changes in financial assumptions	71	79
- experience adjustments	(39)	(67)
Actuarial loss/ (gain) on plan assets	(6)	5
	26	**26**

C. Plan assets

Plan assets comprise of the following:	**As at March 31, 2021**	**As at March 31, 2020**	**As at April 01, 2019**
Investments with insurer in Life Insurance Corporation of India	100%	100%	100%

The Company expects to contribute Rs.308 (March 31, 2020: Rs.292; April 1, 2019: Rs. 322) to gratuity fund in the ensuing year.

D. i. Actuarial assumptions

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

	As at March 31, 2021	**As at March 31, 2020**	**As at April 01, 2019**
Discount rate	6.50%	6.85%	7.50%
Salary escalation rate	8.00%	6.5% for first year and 8% thereafter	8.00%
Attrition			
Upto 45 Years	7.00%	7.00%	7.00%
Above 45 years	3.00%	3.00%	3.00%
Retirement age	60 Years	60 Years	58 Years
Mortality rate	2012-14	14	08

As at March 31, 2021, the weighted average duration of the defined benefit obligation was 10 years (March 31, 2020: 11 years; April 1, 2019: 9 years)

ii. Sensitivity Analysis

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

	March 31, 2021		**March 31, 2020**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (+1/-1% movement)	-9.40%	10.90%	-9.60%	11.1%
Increase/(Decrease) in DBO	(194)	225	(171)	199
Future salary growth (+1/-1% movement)	10.00%	-8.90%	10.30%	-9.1%
Increase/(Decrease) in DBO	206	(184)	184	(163)
Attrition rate (+50/-50% movement)	-2.10%	2.70%	-1.70%	2.30%
Increase/(Decrease) in DBO	(42)	55	(31)	41

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39 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:-

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount to be required to be spent by the Group during the year	177	161
b) Amount approved by the Board to be spent during the year	183	168

March 31, 2021	In Cash	Yet to be Paid in cash	Total
i) Construction/Acquisition of any asset	-	-	-
ii) On purpose other than (i) above	80	-	80

March 31, 2020	In Cash	Yet to be Paid in cash	Total
i) Construction/Acquisition of any asset	-	-	-
ii) On purpose other than (i) above	38	-	38

Details related to spent/ unspent obligations:	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	25	-
iii) Directly Spent by the Company	55	38
iv) Unspent amount in relation to		
- Ongoing project	103	-
- Other Than Ongoing project	-	-
Total	183	38

In case of Section 135(6) Ongoing project

Opening Balance as on April 01,2020		Amount Required to be spent during the year	Amount spent during the year		Closing Balance as on March 31,2021	
With Company	In Separate CSR Unspent A/c		From Company's Bank A/c	From Separate CSR Unspent A/c	From Company's Bank A/c	From Separate CSR Unspent A/c
-	-	177	80	-	103	-

As per Sec 135(6) of Companies Act 2013,Company has transferred unspent CSR amount of Rs.103 lakhs amount(March 2020-Nil) relating to ongoing project to a separate unspent CSR account before 30 days from end of financial year.

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40 Commitments and Contingencies

a) Leases

Lease commitments as lessee

The Company has lease contracts for various office/ store premises and warehouse facilities. The lease term is for a period ranging from 2 to 11 years. The agreements contain fixed rentals with escalation clause in the lease agreements. Certain lease agreements have renewal option at the mutual agreement of the lessee and lessor. The agreements contain options to terminate the leases after giving a specified notice period to the other party. Accordingly, the Company has considered the initial term of agreement as lease term under Ind AS 116. The Company also has lease of premises with lease terms of 12 months or less and lease of premises with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis :	Year ended March 31, 2021	Year ended March 31, 2020
Within one year	749	769
After one year but not more than five year	2,347	2,466
More than five years	1,425	1,978
Total	**4,521**	**5,213**

Total cash outflow for leases for the year ended March 31, 2021 is Rs.1,350 (March 31, 2020: Rs.1,186).

Lease commitments for leases not considered in measurement of lease liabilities:	Year ended March 31, 2021	Year ended March 31, 2020
Lease commitment for short-term leases	53	14
Lease commitment for leases of low value assets	-	43
Total	**53**	**57**

b) Other commitments

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	434	654	183

b) As at March 31, 2021, March 31, 2020 and April 01, 2019 the Company has committed to provide financial support to Rasoi Magic Foods (India) Private Limited with regard to operations of the subsidiary.

41 Contingent Liabilities

		As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
A	**Contingent liabilities:**			
(a)	Litigations			
(i)	Indirect taxation (includes matters pertaining to disputes on central excise, service tax, value added taxes and central sales tax.) [refer note (ii) below]	204	204	204
(ii)	Other litigations [refer note (iii) below]	158	158	168

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

Notes :

(i) In the prior years, the Company had received claims from the VAT authorities for payment of higher VAT for certain products. Accordingly, as a matter of prudence, the Company had made a provision amounting to Rs. 1,142 in its books of account towards such differential taxes. As at March 31, 2021, March 31, 2020, and April 01, 2019, the Company carries a provision of Rs. 1,142 in this regard. In the year ended March 31, 2013, the Honourable High Court of Karnataka had adjudicated the matter in favour of the Company. The KVAT authorities have filed a Special Leave Petition (SLP) in the Supreme Court which has been admitted by the Supreme Court. Accordingly, management continues to carry the provision as a matter of prudence pending final adjudication of the matter of law before the Supreme Court.

(ii) 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.

(iii) Other litigations include Rs. 158 (March 31, 2020 : Rs.158, April 01, 2019: Rs. 158) being penalty and charges claimed by Bangalore Electricity Supply Company Limited (BESCOM) alleging unauthorised extension of power supply. The Company is confident that the claims are not tenable and the Company is in full compliance of the rules.

(b) Bank guarantees

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	189	189	240
Guarantees given by the Company to the banks on behalf of its suppliers	-	803	315

The necessary terms and conditions have been complied with and no liabilities have arisen. The Company has given commitments of Rs. NIL (March 31, 2020 Rs. 803; April 1, 20219 Rs. 315) to purchase raw materials to certain vendors in the normal course of its business.

(c) 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.

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42 Share based payments

The ultimate holding company ("Orkla ASA") of the Company operates equity incentive compensation programs which include long term incentive plan for executive management and the Employee Stock Purchase Plan (the "ESPP") for employees.
Under these plans, Orkla ASA, the ultimate holding company of the Company has granted equity shares which are settled in cash for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operation. All awards granted to employees (including directors) are subject to approval in advance by the board of directors of Orkla ASA. Share-based payments are considered as equity settled transactions as the Company has no obligation to settle the share based payment transaction.

Employee stock purchase plan (ESPP)

The ESPP permits eligible employees to acquire shares of the Orkla common stock at a 25% discount (as determined in the ESPP) through periodic payroll deductions over 12 months. The purchase price for the ultimate Company's common stock under the ESPP is 75% of the fair market value of the shares on the date defined in the scheme document during the offer period. The ESPP will be in force only during the offer period mentioned in the scheme document. Eligible employees can place orders for shares in one of the three lots as defined by the scheme. The lock-in period for the shares purchased through ESPP is 3 years. The lock-in will apply even if an employee resigns before the lock-in expires.
Considering the number of employees participating in the scheme and the amount involved is not material, no further disclosure is made.

Long Term Incentive (LTI) Scheme

Certain employees of the Company are granted LTI. Participants in the LTI programme are nominated on a yearly basis and awards are made for one year at a time subject to the approval of the President and CEO of Orkla ASA. The LTI generally vest over a period of four years from the date of grant, and the vesting generally occurs at a rate of 34% after 24 months, 33% after 36 months and 33% after 48 months from the date of grant.
Orkla determines the fair value of LTI based on the closing market price of the common stock on the date of grant. The amount awarded is adjusted in accordance with the Orkla ASA share price performance until it is paid out. The exercise price for LTI is Nil.

The expense recognised for employee services received during the year is shown in the following table	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Expense arising from equity-settled share-based payment transactions	85	46
Total	**85**	**46**

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

Particulars	**March 31, 2021**	**March 31, 2020**
	Number of Shares	
Outstanding at the beginning of the year	167,187	-
LTIs granted during the year	113,976	167,187
LTIs vested during the year	-	-
LTIs forfeited during the year	-	-
Adjustments (if any)	-	-
LTIs transferred during the year (net) if any	-	-
Outstanding at the ending of the year	**281,163**	**167,187**

The weighted average fair value of LTI at grant date (Rs.)	**95**	**67**

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43 Segment Reporting

In accordance with Ind AS 108- Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

44 Government grant

The Company has been awarded two government grants :

(a) The Company has accounted Rs.91 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. The Company has recognised income amounting to Rs.10 (March 31, 2020 : Rs.10) in proportion to the depreciation charged during the year on the related assets.

b) During the year ended March 31, 2018, the Company had availed EPCG license benefit of Rs.107 against import of capital goods amounting to Rs.1,331 for manufacturing of confectionery. In respect of this benefit, the 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. 641 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 duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant. The Government Grant shown in note 19 represents unamortised amount of the duty saved.

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

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45 Related Party Transactions

A. Name of the related party and relationship

Description of relationship	Name of the related parties	Relationship/Designation
(a) Entities who have control over the Company	Orkla ASA, Oslo, Norway	Ultimate holding company
	Orkla Asia Pacific Pte Ltd, Singapore	Holding company
(b) Entities over which the Company has control	Rasoi Magic Foods (India) Private Limited	Subsidiary
	Eastern Condiments Private Limited	Subsidiary (From March 31, 2021)
(c) Entities over which the Company has significant influence:	Firmroots Private Limited	Associate (upto December 24, 2020)
	PotFul India Private Limited	Associate
(d) Key managerial personnel (KMP):	Mr. Sanjay Sharma	Director & Chief Executive Officer
	Mr. Ganesh Shenoy	Chief Financial Officer
	Mr. Aneesh K	Company Secretary (from April 5, 2019)

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

Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Transactions during the year :		
Holding and Ultimate Holding companies:		
Orkla Asia Pacific Pte Ltd		
Reimbursement of expenses from related parties	-*	1
Issue of equity shares	111,378	-
* Rounded off to nearest lakhs		
Orkla ASA		
Receipt of services	297	278
Reimbursement of expenses to related parties	20	23
Reimbursement of expenses from related parties	119	191
Shared based payments	85	46
Fellow Subsidiaries:		
Orkla IT AS		
Reimbursement of expenses to related parties	36	32
Lilleborg AS		
Purchase of traded goods	21	78
Orkla Eesti		
Reimbursement of expenses to related parties	-	1
Subsidiary:		
Rasoi Magic Foods (India) Private Limited		
Other income	34	31
Purchase of traded goods	110	68
Receipt of services	35	30
Reimbursement of expenses from related parties	7	9
Reimbursement of expenses to related parties	-	-*
Patent fees	3	2
Interest on loan	1	2
Associate:		
Firmroots Private Limited		
Purchase of traded goods	-	17
Advance against supplies	-	1
Advance written off	101	-
Provision for doubtful advance	-	(101)
Interest on loan	5	6
Interest on loan written off	11	-
Pot Ful India Private Limited		
Investment in equity shares	-	806

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ii) Balances outstanding as at year end :	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Amounts receivable from :			
Orkla Asia Pacific Pte Ltd	-	1	-*
Orkla ASA	42	64	64
Rasoi Magic Foods (India) Private Limited	16	9	10
Firmroots Private Limited	-	-	-
Outstanding amount	101	101	100
Less: Provision	-	(101)	-
Less: Written off	(101)		
Net Balance	-	-	100
Amounts payable to :			
Orkla ASA	132	29	34
Orkla Foods Norge AS	-	-	21
Orkla IT AS	-*		
Lilleborg AS	-	19	-
Rasoi Magic Foods (India) Private Limited	8	7	2

b. Loans given and repayment thereof

Particulars	Opening Balance	Loans Given	Repayment	Loan outstanding	Interest Receivable
i) Wholly Owned Subsidiary					
Rasoi Magic Foods (India) Private Limited					
March 31, 2021	50	850	(900)	-	-*
March 31, 2020	-	100	(50)	50	1
ii) Associates					
Firmroots Private Limited					
March 31, 2021	75	-	(75)	-	-
March 31, 2020	-	75	-	75	6

*Rounded off to nearest lakhs

c. Compensation to key managerial personnel

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	742	650
Post-employment benefits	5	11
Total compensation paid to key managerial personnel **	**747**	**661**

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

Terms and conditions of transactions with related parties

(a) The 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 Company has given a commitment of financial assistance to its wholly owned subsidiary. The said loan was repayable on demand. The Company has committed to provide support to fund the operations of Rasoi Magic Foods (India) Private Limited.

(b) The Company had granted a secured loan facility to Firmroots Private Limited ("FPL") at the interest rate prevailing for Government securities, for its principal business activities. The said loan was repayable by June 2020. The Company after a complete review of the financial performance of FPL decided to enter into a settlement agreement to realize a portion of the investment and its loans fully. However the interest thereon amounting to Rs.11 has been waived by the Board of Directors of the Company considering the financial performance of FPL and the overall settlement of the loans and sale of the investments.

(c) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related party are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

46 Fair value Hierarchy

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

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Financial assets measured at fair value			
Investments in unquoted equity shares (measured through other comprehensive income) ^	39	-	417
Investments in units of mutual funds (measured through profit and loss) #	3,093	6,676	2,019
Derivative assets ##	8	2	25
Total (A)	**3,140**	**6,678**	**2,461**
Financial assets carried at amortised cost			
Loans ^	782	843	776
Trade receivables*	1,786	1,623	2,069
Cash and cash equivalents*	766	593	59
Bank balances other than cash and cash equivalents*	1,000	-	-
Other financial assets*	118	130	117
Total (B)	**4,452**	**3,189**	**3,021**
Total financial assets (A+B)	**7,592**	**9,867**	**5,482**
Financial liabilities carried at amortised cost			
Lease liabilities ^	3,133	3,485	2,896
Short-term borrowings*	1,000	350	1,756
Trade payables*	9,072	7,273	7,317
Other financial liabilities *	32,946	2,924	2,279
Total financial liabilities	**46,151**	**14,032**	**14,248**

*The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, trade payables, short-term borrowings and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of these financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

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

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

Derivative assets (Forward contracts) : Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company, hence they are classified as level 1 of fair value hierarchy.

There have been no transfers among level 1, level 2 and level 3 during the year ended March 31,2021 , March 31, 2020

47 Financial risk management objectives and policies

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

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

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A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing/financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company has 7 customers (March 31, 2020: 5 customers) that owed more than Rs.100 each and accounted for approximately 84% (March 31, 2020: 65%) of all the receivables and contract asset outstanding.

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

Trade receivables

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

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

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

The Company has evaluated credit risk for customers. Any customer related specific information has been factored over and above the probability of default (PD). The Company uses provision matrix to determine impairment loss allowance on its portfolio of receivables. The provision matrix takes into account historical credit loss experience over the expected life of the trade receivables and is adjusted for forward-looking estimates/ information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix as at March 31, 2021 , March 31, 2020 and April 1, 2019 are as follows:

Ageing	**Provision**
0-90 days	0%
91-180 Days	25%
181-365 Days	50%
> 1 years	100%

Movement in the expected credit loss allowance	**As at March 31, 2021**	**As at March 31, 2020**
As at the beginning of the year	84	114
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	6	(30)
As at the end of the year	**90**	**84**

B. Liquidity risk

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

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt instruments at an amount in excess of expected cash outflows on financial liabilities at any point of time.

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Exposure to liquidity risk

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2021:

	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivative financial liabilities:				
Lease liabilities	749	2,347	1,425	4,521
Borrowings	1,000	-	-	1,000
Trade payables	9,072	-	-	9,072
Other financial liabilities	3,327	29,619	-	32,946
Total non-derivative financial liabilities	**14,148**	**31,966**	**1,425**	**47,539**

As at March 31, 2020:

	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivative financial liabilities:				
Lease liabilities	769	2,466	1,978	5,213
Borrowings	350	-	-	350
Trade payables	7,273	-	-	7,273
Other financial liabilities	2,924	-	-	2,924
Total non-derivative financial liabilities	**11,316**	**2,466**	**1,978**	**15,760**

As at April 1, 2019:

	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivative financial liabilities:				
Lease liabilities	613	1,822	2,058	**4,493**
Borrowings	1,756	-	-	**1,756**
Trade payables	7,317	-	-	**7,317**
Other financial liabilities	2,279	-	-	**2,279**
Total non-derivative financial liabilities	**11,965**	**1,822**	**2,058**	**15,845**

C. Market risk

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

(a) Currency risk

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

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The Company has entered into following outstanding forward exchange contracts as on March 31, 2021 , March 31, 2020 and April 01, 2019 in respect of highly probable exports:

Currency	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
US Dollar (in Lakhs)	17	17	8
INR (in Lakhs)	1,269	1,245	599

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2021, March 31, 2020 and April 1, 2019 are as below:

Amount receivable / payable in foreign currency on accounting of following:		Amount in foreign currency (in Lakhs)			Amount in Rupees (in Lakhs)		
		As at March 31, 2021	As at March 31, 2020	As at April 01, 2019	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Receivables	GBP	-*	-*	-*	31	12	33
	NOK	-	-	8	-	-	65
	USD	14	14	12	995	1,051	837
Customer Advances	USD	-*	-*	-*	14	10	3
	AUD	-*	-	-	1		
	EURO	-	-	-*	-	-	1
Advance recoverable (including capital advance)	USD	-*	-*	-*	14	9	11
	EURO	-*	-*	-*	18	7	124
	GBP	1	-*	-*	86	77	-
Trade and other payables	USD	2	-*	-	111	26	-
	NOK	3	4	7	27	29	55
	AUD	-*	-*	-*	3	2	3
	EURO	-*	-*	-*	2	24	2

*Rounded off to the nearest lakhs

Sensitivity analysis

The impact on account of any possible strengthening/ (weakening) of the INR, against all the currencies at March 31 is not expected to be material.

(b) Interest-rate risk

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

(c) Price risk

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

48 Capital management

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

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

	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Net debt (total borrowings, net of cash and cash equivalents)*	234	-	1,697
Total equity	178,947	28,746	21,625
Net debt to equity ratio	-	-	**0.08**

* Where the total debts are less than cash and cash equivalents, the net debts are shown as Nil.

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

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

No changes were made in the objectives, policies or process for managing capital during the year ended March 31, 2021 and March 31, 2020.

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

49 First-time adoption of Ind AS

These financial statements for the year ended March 31, 2021 are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended March 31, 2021, together with the comparative data as at and for the year ended March 31, 2020, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at April 1, 2019 and the financial statements as at and for the year ended March 31, 2020.

In preparing these financial statements, the Company has availed certain exemptions in accordance with Ind AS 101 as explained below:

A Exemptions applied

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) The Company has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets, as per the statement of financial position prepared in accordance with Indian GAAP.

b) Ind AS 101 allows exemption to a first time adopter from the application of provisions of Ind AS 102 Share based payment to equity instruments that are already vested before the transition date. The Company has opted for this exemption for the portion of share based long term incentive plan which were already vested (whether settled or unsettled) as on the transition date.

c) Ind AS 101 provide the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. The Company elected to apply Ind AS103 prospectively to business combination occurring after its transition date, if any. The business combination occurring prior to the transition date have not been restated.

B Reconciliation of total equity between Indian GAAP and Ind AS

	Notes	As at March 31, 2020	As at April 1, 2019
Total equity as per Indian GAAP		**29,414**	**22,048**
Ind AS Adjustments:			
Adoption of Ind AS 116, 'Leases'	a.	(1178)	(968)
Fair Valuation of Investments in units of Mutual Funds	b	2	3
Government grants for capital assets	c	(31)	(20)
Security deposits discounting	d	(2)	(17)
Marked to market gain/ (loss) on derivative contracts	e	2	25
Fair Valuation of Investments in unquoted shares	f	197	197
Loss allowances - ECL	g	(17)	(47)
Export incentives receivables	h	86	124
		(941)	**(703)**
Deferred tax on Ind AS adjustments	i	273	280
Total equity as per Ind AS		**28,746**	**21,625**

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

C Reconciliation of total comprehensive income for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020
Profit after tax as per Indian GAAP		**7,366**
Ind AS adjustments:		
Adoption of Ind AS 116, 'Leases'	a	(210)
Fair valuation of Investments in units of Mutual Funds	b	(1)
Government grants for capital assets	c	(11)
Security deposits discounting	d	15
Marked to market gain/ (loss) on derivative contracts	e	(23)
Loss allowances - ECL	g	30
Share based payments		(46)
Export incentives receivables	h	(38)
Remeasurements of post employment benefit obligation, net of tax	i	20
Deferred tax on Ind AS adjustments	j	(7)
Profit after tax as per Ind AS		**7,095**
Other comprehensive income/ (loss), net of tax	k	(20)
Total comprehensive income as per Ind AS		**7,075**

D There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

E Notes to the reconciliations of equity as at April 1, 2019 and March 31, 2020 and total comprehensive income for the year ended March 31, 2020

a. Adoption of Ind AS 116

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application of April 01, 2019. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The right-of use assets for leases were recognised at it's carrying amount as if Ind AS 116 had always been applied since the commencement date, but using a discount rate based on the lessee's Incremental Borrowing Rate ('IBR') at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the IBR at the date of initial application. The difference between right-of-use assets and lease liabilities adjusted for any related prepaid and accrued lease payments at the initial application date were recognised in retained earnings.

Such right-of-use assets are amortised on a straight-line-basis over the lease term of the underlying premises. Interest is accrued on lease liabilities at the IBR. Monthly rental payments are reduced from lease liabilities. The net effect of such transactions for the year ended March 31, 2020 is recorded in the Standalone Statement of profit and loss for that year.

b. Fair valuation of investments

In accordance with Ind AS, financial assets representing certain investments classified as fair value through profit or loss. Under the Indian GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost and in case of current investments at cost or fair value whichever was lower. Accordingly, investments in units of mutual funds as at April 1, 2019 and March 31, 2020 have been stated at their fair values and the unrealised gain/losses have been recorded in the Standalone Statement of Profit and loss for the year ended March 31, 2020 and in the reserves as at April 01, 2019.

c. Accounting for Government grants

Ind AS 20 requires the Company to recognise the benefit received on purchase of capital assets under EPCG license scheme as government grant liability, along with corresponding addition to capital assets on the date of purchase. The asset was depreciated and liability was amortized in profit and loss. The differential amount between the carrying value of asset and grant liability as on the transition date was recognised in retained earnings.

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d. Discounting of Rental deposits

Under Indian GAAP, interest free security deposits (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has recorded security deposits at fair value as per Ind AS 109. Prepaid rent arising from such discounting is recorded as right-of-use assets, except for short term leases and low value leases, in accordance with Ind AS 116.

e. Marked to Market gain/ loss on derivative contracts

This pertains to marked to marked valuation on forward contracts entered by the Company as of each reporting date.

f. Investments in unquoted equity instruments

In accordance with Ind AS, financial assets representing certain investments classified as fair value through profit or loss. This pertains to recognition of standalone investments in unquoted shares at their fair value through OCI. Under the Indian GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost. Accordingly, investments in unquoted investment as at April 1, 2019 and March 31, 2020 have been stated at their fair values and the unrealised gain/losses have been recorded in the OCI for the year ended March 31, 2020 and in the reserves as at April 01, 2019.

g Application of Expected Credit Loss (ECL) model:

Under Indian GAAP, the Company provided for doubtful receivables on assessment of aged balances. On transition to Ind AS, the Company has recognised impairment loss on trade receivables measured at amortised cost based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables measured at amortised cost with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended March 31, 2020.

h Export incentive receivables

Under Indian GAAP, the Company has accounted the same on actual receipt basis however under Ind AS the same has been recognised on accrual basis.

i. Remeasurement of defined benefit obligation

Under Ind AS, all actuarial losses/ gains on defined benefit obligations are recognised in other comprehensive income. Under previous GAAP, the Company recorded actuarial gains and losses in statement of profit and loss. As a result of this change, impact along with tax effect of the same has been recognised in other comprehensive income under Ind AS. However, this has no impact on the total comprehensive income and total equity as at April 1, 2019 and as at and for the year ended March 31, 2020.

j. Deferred tax

The above adjustments resulted in temporary differences under Ind AS on which corresponding deferred tax has been created using the expected rates of the year in which these differences are expected to be reversed based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

k Other comprehensive income (OCI)

Under Indian GAAP, the Company has not presented OCI separately. Hence, it has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

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

50 Investment in Subsidiary

On March 16, 2021 and on March 17, 2021, the Board of Directors and shareholders of the Company, respectively, approved the acquisition of 67.82% stake (6,549,310 shares) in Eastern Condiments Private Limited ("ECPL") for a consideration of Rs. 127,438, pursuant to which on March 24, 2021, the Company executed Share Purchase Agreements ('SPA') with shareholders of ECPL. On March 31, 2021, the Company completed the acquisition of the aforesaid 67.82% stake and ECPL became a subsidiary of the Company as of March 31, 2021. ECPL is in the business of manufacture, distribution, marketing and sale of straight spice powder, blended spice powders, pickles, rice powders and other rice-based products and ready to cook and ready to eat range of food products. The acquisition is in line with Company's plan for accelerating its growth in branded spices and masalas.

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

In the event of non-completion of the above proposed merger by the merger deadline date i.e. December 31, 2022, or as mutually extended, the Company will be required to acquire and the Promoters will be required to sell the above remaining stake as per the terms and conditions of the Sale and Acquisition Agreement dated March 24, 2021 (Sale and Acquisition Agreement) between Orkla ASA, ultimate holding company of MTR and the Promoters. To execute the above arrangement, effectively, MTR will acquire the 32.18% stake through a combination of fixed cash consideration of Rs. 33,443 and issue of ROCPS for Rs. 27,000.

Accordingly, in accordance with Ind AS 32, as at March 31, 2021, the fair value of consideration payable in cash amounting to Rs. 29,618 (on an amortised basis) and Rs. 360 is payable for the final adjustment to working capital is disclosed as financial liability and the balance amount of Rs. 27,000 has been disclosed in Standalone Statement of change in equity as "Shares to be issued on account of investment in subsidiary".

(a) Purchase consideration

As per the SPA and the Sale and Acquisition Agreement, the Company has present ownership of 100% stake in ECPL. Accordingly, based on the anticipated acquisition of the remaining stake in ECPL, the total purchase consideration has been recorded as below:

Particulars	**Amount**
Consideration discharged through bank	127,438
ROCPS to be issued on account of acquisition	27,000
Future acquisition liability	29,618
Liability on account of investment in subsidiary (towards the final working capital adjustment as per "SPA")	360
Total consideration	**184,416**

(b) Analysis of cash flows on acquisition

Consideration paid in cash (included in cash flows used in investing activities)	127,438
Transaction cost of the acquisition (included in cash flows used in operating activities)	882
Total cash flow on acquisition	**128,320**

(c) As part of the SPAs, the Company has an obligation to pay the Promoters for certain contingencies pertaining to income tax and other indirect tax matters of ECPL which are in dispute with the relevant authorities, subject to the same adjudicated in favour of ECPL within five years from the closing date, i.e. March 31, 2021. The maximum amount payable under such consideration is Rs. 5,360.

(d) On November 13, 2021, the Company and ECPL filed, with the NCLT, a Scheme of merger of ECPL with the Company with an appointed date of April 01, 2021. The Scheme is yet to be approved by the NCLT as at the date of approval of these financial statements.

(e) Acquisition related cost:

During the year ended March 31, 2021, the Company has incurred acquisition related cost on legal and other fees amounting to Rs. 882, which has been disclosed under "Other expenses" in the standalone statement of profit and loss. Further, there are certain other cost which are incurred by the Parent Company in relation to identification, evaluation and other expenses for investment in ECPL as part of the Parent Company's evaluation of acquisition of business to which the Company is not a party to the arrangements. Accordingly, the above cost does not include such cost in the absence of cross charge from the Parent Company.

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51 Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

52 Previous year figures

The comparatives given in the financial statements have been compiled after making necessary Ind AS adjustments to the respective audited financial statements under Previous GAAP to give a true and fair view in accordance with Ind AS.

53 Impact of covid-19 on operations of the Company

The Company has assessed the impact of COVID-19 pandemic on its business operations and has considered internal and certain external sources of information upto the date of approval of these financial statements, in determining the possible impact from the COVID-19 pandemic. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.

As per our report of even date

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

per Aditya Vikram Bhauwala
Partner
Membership no.: 208382

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: December 20, 2021

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

Atle Vidar Johnsen
Chairman
DIN: 01361367
Place: Oslo
Date:

Sanjay Sharma
Director & Chief Executive Officer
DIN: 02581107
Place: Bengaluru
Date:

B.G. Shenoy
Chief Financial Officer

K. Aneesh
Company Secretary
(Membership no: 32470)

MTR FOODS PVT. LTD. BENGALURU

Place: Bengaluru
Date: December 20, 2021

Place: Bengaluru
Date: December 20, 2021

1. Corporate Information

MTR Foods Private Limited ("the Company" or "MTR") was incorporated at Bangalore in 1996 under the Companies Act, 1956, and 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 spices, spice mix, pickles, papads and oral care products. The Company is headquartered in Bengaluru and has its manufacturing facilities in Bengaluru.

The standalone financial statements were approved for issue by the Company's Board of Directors on December 20, 2021.

2. Significant accounting policies

2.1 Basis of Preparation:

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

For all periods up to and including the year ended March 31, 2020, the Company had prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the year ended March 31, 2021 are the first the Company has prepared in accordance with Ind AS. Refer note 49 for information on transition to Ind AS.

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

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

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies:

(a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

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

All other liabilities as non-current.

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

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

(b) Foreign currency translation

The financial statements are presented in Indian Rupees Lakhs ('INR 00,000'), which is the functional currency of the Company.

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

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

(c) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

(i) Disclosure for fair valuation methods, significant estimates and judgements Note 46 and 2.3
(ii) Financial Instruments (including those carried at amortised cost) Note 6a, 6b, 6c, 7, 11, 12, 13, 14, 15, 21, 22 23a, 23b, 4b and 46

(d) Revenue recognition

Revenue from contract with customers

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

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

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

(i) Sale of goods

Revenue is measured at the fair value of the consideration received receivable net of returns and allowances, trade discounts and volume rebate, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

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

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

(ii) Variable consideration:

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

- **Volume rebates**

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

- **Right to return**

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

(iii) Rendering of 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.

(iv) Contract balances

Contract assets

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

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

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

(v) Assets and liabilities arising from rights of return

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

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

(vi) Interest income

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

(vii) Dividend Income

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

(viii) Export incentives income

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

(e) Income-tax

Current income tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss.

- In respect of taxable temporary differences associated with the investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and if it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity, in correlation to the underlying transaction.

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.

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

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

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

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

(f) Property, plant and equipment

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

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

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

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

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

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

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

Particulars	Useful life used by the management (in years)	Useful life as per Schedule II (in years)
Plant and machinery	5-12	15
Office equipment/ Computers	3-5	5
Factory buildings	30	30
Electrical fittings	10	10

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Particulars	Useful life used by the management (in years)	Useful life as per Schedule II (in years)
Furniture and fixtures	10	10
Vehicles	6	8

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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.

(g) Intangible assets

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

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

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

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

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

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

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

Assets	Useful life (in years)
Software	3 years

(h) Leases

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

Company as a lessee

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

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

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

Category of assets	Estimated Useful life
Building	2 to 10 Years

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

ii) Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease

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term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

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

(i) Inventories

Inventories are valued as follows:

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

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

(j) Impairment of non-financial assets

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) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

(k) Provisions and contingent liabilities

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

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the 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.

(l) Retirement and other employee benefits

Defined contribution plan:

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

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Defined benefit plan:

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs.

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

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

Leave Encashment / compensated absences:

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

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

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

(m) Share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for cash payments based on equity instruments (equity settled transactions) of the ultimate holding company.

The Company classifies a share-based payment transaction as equity settled when it receives goods or services as consideration for its own equity instruments or receives goods or services but has no obligation to settle the transaction with the supplier.

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised together with a corresponding increase in share-based payment

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reserves in equity or capital contribution from parent depending on which entity is settling the transaction. The costs are recognised, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

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

(n) Financial Instruments

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

Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent measurement

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

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

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

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

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Debt instruments at amortised cost

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 11.

Equity investments

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Derecognition

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

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Reclassification of financial assets

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

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

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

Offsetting of financial instruments

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

(o) Derivative financial instruments

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

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

(p) Investment in Subsidiary and associate

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

The investment in subsidiary and associate are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect the amount of the investor's returns.

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

(q) Segment accounting policies

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

In accordance with Ind AS 108- Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

(r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(s) Cash and cash equivalents

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

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(t) Cash dividend

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

(u) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(v) Borrowing costs

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

2.3 Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

(a) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 38.

(b) Leases

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

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

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

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

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

(c) Provision for sales return

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

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

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

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

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration

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(e) Provision on inventories

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

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

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The useful lives are based on technical advice, prior asset usage experience and the risk of technological obsolescence.

(g) Impairment allowance for doubtful debts

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible. Further details about impairment allowance are given in Note 47.

2.4 New and amended standards and interpretations

The Company has applied the same accounting policies in its opening Ind AS Balance Sheet and throughout all periods presented in its first Ind AS financial statements in accordance with Ind AS 101, "First-time Adoption of Indian Accounting Standards".

Covid-19 related Rent Concession
The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Some lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

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(ii) Any reduction in lease payments affects only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

Pursuant to the above amendment, the Company has applied the practical expedient with effect from April 01, 2020. The Company has accounted the unconditional rent concessions in "Other income" in the statement of profit and loss.

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