

INDEPENDENT AUDITOR'S REPORT

To the Members of MTR Foods Private Limited

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

We have audited the accompanying Standalone financial statements of MTR Foods Private Limited ("the Company"), which comprise the Standalone Balance sheet as at March 31, 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

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 financial statements and our auditor's report thereon.

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

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the



financial position, financial performance 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act based on our audit, 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 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, 2022;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer note 41 to the Standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the Standalone financial statements, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the Standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sunil Gaggar
Partner

Membership Number: 104315
UDIN: 22104315AVNEAI2429



Place: Bengaluru

Date: September 27, 2022

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Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(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) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements included in property, plant and equipment are held in the name of the Company except title deed of an immovable property, in the nature of the land, as indicated in the below table are not held in the name of the Company:

| Description of property | Gross carrying value (Rs. in lakhs) | Held in name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in the name of Company |
|---------------------------------|-------------------------------------|---|--|-------------|--|
| Plot 88, Bommasandra, Bengaluru | 460 | Karnataka Industrial Area Development Board (KIADB) | No | 19 Years | Company has made an application to KIADB for execution of absolute sale deed in its favour, which is currently pending at KIADB. |

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) As disclosed in note 52 to the Standalone financial statements, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the Management during the year except for inventories lying with third party. In our opinion, the frequency of verification is reasonable and the coverage and procedures for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and no discrepancies of 10% or more in aggregate for each class of inventory were not noticed.



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(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans, stood guarantee to companies and other parties as follows:

| | Guarantees (Rs. in lakhs) | Loans (Rs. in lakhs) |
|--|---------------------------|----------------------|
| Aggregate amount granted/ provided during the year | | |
| - Subsidiaries | | 600 |
| - Associates | | 500 |
| - Others | | |
| To Employees | | 359 |
| To Vendor | 1,270 | - |
| Balance outstanding as at balance sheet date in respect of above cases | | |
| - Subsidiaries | | 550 |
| - Associates | | 500 |
| - Others | | |
| To Employees | | 237 |
| To Vendor | 1,270 | |

(b) During the year the guarantees provided and the terms and conditions of the grant of all loans and guarantees to companies, other parties are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to companies, other parties where the schedule of repayment of principal and payment of interest has been stipulated except for a loan granted to one company repayable on demand, and the repayment or receipts are regular except in the following cases:

| Name of the entity | Amount (Rs. in lakhs) | Principal/Interest | Due Date | Date of payment | Extent of delay |
|--|-----------------------|--------------------|--------------------|------------------|-----------------|
| Rasoi Magic Foods (India) Private limited (Subsidiary) | 4.98 | Interest | September 30, 2021 | October 05, 2021 | 5 Days |
| | 5.43 | Interest | December 31, 2021 | March 25, 2022 | 84 Days |
| | 5.27 | Interest | March 31, 2022 | May 5, 2022 | 35 Days |
| Potful India Private Limited (Associate) | 9.49 | Interest | January 05, 2022 | January 21, 2022 | 16 Days |

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.



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(f) As disclosed in note 13 to the Standalone financial statements, the Company has granted loans repayable on demand to a company. Of these following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

| Particulars | Related Parties (Rs. in lakhs) |
|--|--------------------------------|
| Aggregate amount of loans - Repayable on demand | 550 |
| Percentage of loans to the total loans | 42% |

- (iv) Provisions of Section 185 of the Act in respect of a loan given to a 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 loans and guarantees given, provisions of Section 186 of the Act, as applicable, have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) 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) |



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| 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 | -* | -* | 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) |
| 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) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) As disclosed in note 52 to the Standalone financial statements, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



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- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 of the Act are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to Section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (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) (a) The provisions of Section 45-1A of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.



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- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 46 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in note 39 to the financial statements.
- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period thirty days from end of the financial year in compliance with Section 135 (6) of the Act as disclosed in note 39 to the Standalone financial statements, except in respect of the following:

| Financial year | Amount unspent on corporate social responsibility activities for ongoing projects (Rs. in lakhs) | Amount transferred to Special Account within 30 days from end of the financial year | Amount transferred after due date (Date of transfer – September 27, 2022) (Rs. in lakhs) |
|----------------|--|---|--|
| 2021-22 | 53.22 | - | 53.22 |

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

per Sunil Gagger
Partner
Membership Number: 104315
UDIN: 22104315AVNEAI2429



Place: Bengaluru
Date: September 27, 2022

S.R. BATLIBOI & ASSOCIATES LLP

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

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

We have audited the internal financial controls with reference to Standalone financial statements of MTR Foods Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of internal financial controls with reference to these Standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A company's internal financial controls with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone financial



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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2022, 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 
Partner

Membership Number: 104315

UDIN: 22104315AVNEAI2429



Place: Bengaluru

Date: September 27, 2022

MTR Foods Private Limited

Standalone Balance Sheet as at March 31, 2022

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

| | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|-------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 19,004 | 18,673 |
| Capital work-in-progress | 3 | 157 | 224 |
| Right-of-use assets | 4(a) | 2,018 | 2,001 |
| Intangible assets | 5 | 144 | 138 |
| Financial assets | | | |
| Investment in subsidiaries and associates | 6(a) | 1,88,440 | 1,88,440 |
| Other investments | 6(b) | - | 39 |
| Loans | 7 | 542 | 54 |
| Other financial assets | 8 | 598 | 491 |
| Other non-current assets | 9 | 17 | 134 |
| Deferred tax assets (net) | 10 | 851 | 698 |
| | | 2,11,771 | 2,10,892 |
| Current assets | | | |
| Inventories | 11 | 9,629 | 9,000 |
| Financial assets | | | |
| Investments | 6(c) | 11,040 | 3,093 |
| Trade receivables | 12 | 2,414 | 1,786 |
| Loans | 13 | 754 | 167 |
| Cash and cash equivalents | 14 | 224 | 766 |
| Bank balances other than above | 15 | - | 1,000 |
| Other financial assets | 16 | 489 | 196 |
| Other current assets | 17 | 1,776 | 1,651 |
| | | 26,326 | 17,659 |
| Total assets | | 2,38,097 | 2,28,551 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 18 | 1,233 | 1,233 |
| Other equity | 19 | 1,85,994 | 1,77,714 |
| Total equity | | 1,87,227 | 1,78,947 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 4(b) | 2,654 | 2,698 |
| Other financial liabilities | 24(a) | 354 | 29,619 |
| Government grants | 20 | 107 | 107 |
| Other non-current liabilities | 21 | 93 | 74 |
| | | 3,208 | 32,498 |



MTR Foods Private Limited
Standalone Balance Sheet as at March 31, 2022
 (All amounts are in Indian Rupees Lakhs, unless stated otherwise)

| | Notes | As at March 31, 2022 | As at March 31, 2021 |
|--|-------|-------------------------|-------------------------|
| Current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 4(b) | 480 | 435 |
| Borrowings | 22 | 2,500 | 1,000 |
| Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 23 | 748 | 1,183 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 23 | 6,357 | 7,889 |
| Other financial liabilities | 24(b) | 34,531 | 3,327 |
| Other current liabilities | 25 | 1,195 | 1,170 |
| Provisions | 26 | 1,700 | 1,872 |
| Current tax liabilities (net) | 27 | 151 | 230 |
| | | 47,662 | 17,106 |
| Total liabilities | | 50,870 | 49,604 |
| Total equity and liabilities | | 2,38,097 | 2,28,551 |
| 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 Sunil Gaggar
 Partner
 Membership no.: 104315




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


 Atle Vidar Johnsen
 Chairman
 DIN: 01361367


 B.G. Shenoy
 Chief Financial Officer

Place: Bengaluru
 Date: September 27, 2022


 Sanjay Sharma
 Director & Chief Executive Officer
 DIN: 02581107


 K. Aneesh
 Company Secretary
 (Membership no: 32470)



Place: Bengaluru
 Date: September 27, 2022

MTR Foods Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2022
 (All amounts are in Indian Rupees Lakhs except share data and per share data, unless stated otherwise)

| | Notes | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|-------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 28 | 97,489 | 95,018 |
| Other income | 29 | 636 | 870 |
| Total income | | 98,125 | 95,888 |
| Expenses | | | |
| Cost of raw materials and packing materials consumed | 30 | 43,499 | 41,412 |
| Purchase of traded goods | 31 | 8,204 | 7,154 |
| (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods | 32 | (653) | (739) |
| Employee benefits expense | 33 | 11,633 | 11,694 |
| Depreciation and amortisation expense | 34 | 2,939 | 3,066 |
| Finance costs | 35 | 2,580 | 465 |
| Other expenses | 36 | 18,161 | 16,787 |
| Total expenses | | 86,363 | 79,839 |
| Profit before tax | | 11,762 | 16,049 |
| Tax expense: | | | |
| - Current tax | 37 | 3,766 | 4,309 |
| - Deferred tax charge / (credit) | 37 | (173) | (180) |
| Total tax expense | | 3,593 | 4,129 |
| Profit for the year | | 8,169 | 11,920 |
| 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 | | 118 | (26) |
| Income tax effect on above | 37 | (30) | 6 |
| (b) Fair value gains/ (losses) on equity instruments | | (39) | (14) |
| Income tax effect on above | 37 | 10 | 3 |
| Total other comprehensive income/ (loss) for the year, net of tax | | 59 | (31) |
| Total comprehensive income/ (loss) for the year | | 8,228 | 11,889 |
| Earnings per equity share [nominal value of shares: Rs. 10 (March 31, 2021: Rs. 10)] | | | |
| Basic | 50 | 63 | 121 |
| Diluted | 50 | 63 | 121 |

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 Sunil Gaggar
 Partner
 Membership no.: 104315



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

Atle Vidar Johnsen
 Chairman
 DIN: 01361367

Sanjay Sharma
 Director & Chief Executive Officer
 DIN: 02581107

B.G. Shenoy
 Chief Financial Officer

K. Aneesh
 Company Secretary
 (Membership no: 32470)



Place: Bengaluru
 Date: September 27, 2022

Place: Bengaluru
 Date: September 27, 2022

MTR Foods Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

| Notes | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax | 11,762 | 16,049 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Government grants received | - | (10) |
| Share based payment expenses | 52 | 46 |
| Depreciation of property, plant and equipment | 2,338 | 2,398 |
| Amortisation of intangible assets | 100 | 161 |
| Depreciation on right-of-use assets | 501 | 507 |
| Interest expense - others | 2,177 | 50 |
| Interest expense - lease liabilities | 328 | 352 |
| Unwinding of security deposit | (26) | (21) |
| Gain on termination/modification of right-of-use assets | (1) | - |
| Provision for doubtful debts and advances | - | 6 |
| Write back of expected credit loss | (9) | - |
| (Profit)/ loss on sale of current investments | (149) | (514) |
| Bad debts / Advance written off | - | 5 |
| Provision for balances with government authorities | 150 | - |
| Fair value gain on financial instruments at fair value through profit and loss | (52) | (10) |
| Liabilities no longer required written back | (34) | (50) |
| (Gain)/Loss on sale of property plant and equipment | (4) | (15) |
| Assets written off | - | 3 |
| Interest income | (121) | (60) |
| Loss on assets held for sale | - | 18 |
| Unrealised foreign exchange loss/(gain) | (8) | (23) |
| Operating profit before working capital changes | 17,004 | 18,892 |
| Movements in Working capital : | | |
| Decrease / (increase) in trade receivables | (601) | (154) |
| Decrease / (increase) in inventories | (629) | (1,773) |
| Decrease/(increase) in financial assets and other assets | (699) | (224) |
| Increase/(decrease) in trade payable | (1,946) | 1,807 |
| Increase/(decrease) in financial liabilities and other liabilities | (143) | (50) |
| Increase/(decrease) in provisions | (54) | 90 |
| Cash generated from operations | 12,932 | 18,588 |
| Direct tax paid (net) | (3,861) | (4,199) |
| Net cash from operating activities (A) | 9,071 | 14,389 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances) | (2,636) | (1,395) |
| Proceeds from sale of property, plant and equipment | 4 | 26 |
| Purchase of units of mutual funds | (38,100) | (38,300) |
| Sale of units of mutual funds | 30,350 | 42,400 |
| Loan given to subsidiary company | (600) | (850) |
| Repayment of loan by subsidiary company | 50 | 900 |
| Loan given to associate company | (500) | - |
| 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) | (4,500) | (3,000) |
| Proceeds of investment in bank deposits (having original maturity of more than three months) | 5,500 | 2,000 |
| Investment in shares of subsidiary | - | (1,27,438) |
| Interest received | 137 | 52 |
| Net cash used in investing activities (B) | (10,295) | (1,25,355) |



MTR Foods Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

| Notes | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| C. Cash flow from financing activities | | |
| Proceeds from issue of equity shares on a rights basis, net of issue related expenses | - | 1,11,266 |
| Proceeds from short term borrowings | 4,000 | 1,000 |
| Repayment of short term borrowings | (2,500) | (350) |
| Interest paid | (33) | (32) |
| Repayment of lease liabilities | (457) | (393) |
| Interest on lease liabilities paid | (328) | (352) |
| Net cash from financing activities (C) | 682 | 1,11,139 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (542) | 173 |
| Cash and cash equivalents at the beginning of the year | 766 | 593 |
| Cash and cash equivalents at the end of the year | 224 | 766 |
| Components of cash and cash equivalents | | |
| Balances with banks: | | |
| On current accounts | 222 | 764 |
| Cash on hand | 2 | 2 |
| Total cash and cash equivalents (refer note 14) | 224 | 766 |

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 Sunil Gaggar
Partner
Membership no.: 104315




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


Atle Vidar Johnsen
Chairman
DIN: 01361367


Sanjay Sharma
Director & Chief Executive Officer
DIN: 02581107


B.G. Shenoy
Chief Financial Officer


K. Anesh
Company Secretary
(Membership no: 32470)



Place: Bengaluru
Date: September 27, 2022

Place: Bengaluru
Date: September 27, 2022

MTR Foods Private Limited
 Standalone Statement of Changes in Equity for the year ended March 31, 2022
 (All amounts are in Indian Rupees Lakhs, except share data and per share data, unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each, issued, subscribed and fully paid-up

As at March 31, 2021

As at March 31, 2022

| | Nos. | Amount |
|----------------------|-------------|--------|
| As at March 31, 2021 | 1,23,30,269 | 1,233 |
| As at March 31, 2022 | 1,23,30,269 | 1,233 |

For movement in share capital, refer note 18.

b) Other Equity

| | Reserve and surplus | | | | Shares to be issued on account of investment in subsidiary (refer note 51) | Other comprehensive income | Total |
|--|--------------------------|----------------------------|-------------------|----------------------------------|--|---|-----------------|
| | Security premium reserve | Capital redemption reserve | Retained earnings | Other equity-share based payment | | Fair value gains/(losses) on equity instruments | |
| As at April 1, 2020 | - | 337 | 27,230 | 46 | - | 152 | 27,765 |
| Issue of shares during the year | 1,11,014 | - | - | - | - | - | 1,11,014 |
| Profit for the year | - | - | 11,920 | - | - | - | 11,920 |
| Other comprehensive income/(loss) (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 | 1,11,014 | 337 | 39,130 | 92 | 27,000 | 141 | 1,77,714 |
| Profit for the year | - | - | 8,169 | - | - | - | 8,169 |
| Other comprehensive income/(loss) (net of tax) | - | - | 88 | - | - | (29) | 59 |
| Total Comprehensive income for the year | - | - | 8,257 | - | - | (29) | 8,228 |
| Compensation cost related to employee share based payment plans (refer note 42) | - | - | - | 91 | - | - | 91 |
| Cross charge from ultimate holding company for employee share based payment plans | - | - | - | (39) | - | - | (39) |
| As at March 31, 2022 | 1,11,014 | 337 | 47,387 | 144 | 27,000 | 112 | 1,85,994 |

Summary of significant accounting policies, Refer Note 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 Sunil Gagar
 Partner
 Membership no.: 104315



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

Ate Vidar Johnsen
 Chairman
 DIN: 01361367

B.C. Shenoy
 Chief Financial Officer

Sanjay Sharma
 Director & Chief Executive Officer
 DIN: 02581107

K. Anesh
 Company Secretary
 (Membership no: 32470)



Place: Bengaluru
 Date: September 27, 2022

Place: Bengaluru
 Date: September 27, 2022

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 September 27, 2022.

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.

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; and
- b) Derivative financial instruments;

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.

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:



MTR Foods Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amounts are in Rupees Lakhs unless otherwise stated)

- (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 47 and 2.3
- (ii) Financial Instruments (including those carried at amortised cost) Note 6a, 6b, 6c, 7, 8, 12, 13, 14, 15, 16, 22, 23, 24a, 24b, 4b and 47

(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.

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.

- 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.

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



MTR Foods Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amounts are in Rupees Lakhs unless otherwise stated)

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.

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

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the 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.



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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 |
| 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.

(g) Intangible assets

On transition to Ind AS, the Company had 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.

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 11 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 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.



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.

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 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.

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 12.

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.

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.

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 |



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| | | |
|--------|--------|---|
| | | 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 are calculated by dividing the net profit or loss for the period 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

(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.

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 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 are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

(e) Provision 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 48.



MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2022
(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, 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 |
| Additions | - | 36 | 56 | 2,261 | 122 | 88 | 106 | - | 2,669 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfer to asset held for sale | - | - | - | (5) | - | - | - | - | (5) |
| At March 31, 2022 | 4,440 | 5,844 | 97 | 14,885 | 434 | 781 | 589 | 35 | 27,105 |
| Depreciation and impairment | | | | | | | | | |
| At April 1, 2020 | - | 327 | 15 | 2,821 | 85 | 105 | 74 | 1 | 3,428 |
| Depreciation for the year (refer note 34) | - | 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 |
| Depreciation for the year (refer note 34) | - | 329 | 5 | 1,729 | 94 | 95 | 79 | 7 | 2,338 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Transfer to asset held for sale | - | - | - | (5) | - | - | - | - | (5) |
| At March 31, 2022 | - | 986 | 26 | 6,279 | 272 | 304 | 226 | 8 | 8,101 |
| Net carrying value as at: | | | | | | | | | |
| At March 31, 2021 | 4,440 | 5,151 | 20 | 8,074 | 134 | 484 | 336 | 34 | 18,673 |
| At March 31, 2022 | 4,440 | 4,858 | 71 | 8,606 | 162 | 477 | 363 | 27 | 19,004 |

(i) The Company had 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'.

(ii) *Title deeds of Immovable Property not held in name of the Company

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|----------------------|--|---|--------------------------------|---|
| Property, plant and equipment | Land | 460 | Karnataka Industrial Areas Development Board (KIADB) | No | 15-12-2001 | 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. |
| Total | | 460 | | | | |



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MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

(iii) Capital work-in-progress

| | Total |
|-------------------|-------|
| Cost | |
| At April 1, 2020 | 440 |
| Additions | 191 |
| Capitalised | (407) |
| At March 31, 2021 | 224 |
| Additions | 176 |
| Capitalised | (243) |
| At March 31, 2022 | 157 |

Capital work in progress (CWIP) Ageing Schedule

| Particulars | As at March 31, 2022 | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|------------|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 99 | - | - | - | 99 |
| Projects temporarily suspended | 36 | 9 | 13 | - | 58 |
| Total | 135 | 9 | 13 | - | 157 |

| Particulars | As at March 31, 2021 | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|------------|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 187 | 20 | - | - | 207 |
| Projects temporarily suspended | 4 | 13 | - | - | 17 |
| Total | 191 | 33 | - | - | 224 |

Completion is overdue to its original plan:

| Particulars | As at 31 March 2022 | | | | Total |
|------------------|---------------------|-----------|-----------|-------------------|-----------|
| | To be completed in | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| GA117- GJM Plant | - | 36 | - | - | 36 |
| Total | - | 36 | - | - | 36 |

As at March 31, 2021 there is no projects which are overdue to its original plan.

As at March 31, 2022 and as at March 31, 2021, the Company has no projects whose cost has exceeded compared to its original plan.



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MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2022
(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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| At the beginning of the year | 2,001 | 2,431 |
| Additions | 520 | 78 |
| Amortization (refer note 34) | (501) | (507) |
| Deletions | (11) | (1) |
| Adjustments due to modification [refer note (i) below] | 9 | - |
| At the end of the year | 2,018 | 2,001 |

(4b) Lease liabilities

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| At the beginning of the year | 3,133 | 3,485 |
| Additions | 463 | 70 |
| Retirements | (13) | - |
| Interest expense on lease liabilities | 328 | 352 |
| Lease rent concession | - | (29) |
| Payments | (785) | (745) |
| Adjustment due to modification [refer note (i) below] | 8 | - |
| Closing balance | 3,134 | 3,133 |

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, 2022 | As at March 31, 2021 |
|-------------|-------------------------|-------------------------|
| Non-current | 2,654 | 2,698 |
| Current | 480 | 435 |

The following are the amounts recognised in profit and loss :

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Gain on retirement of right-of-use assets | 1 | - |
| Depreciation expense of right-of-use assets(refer note 34) | 501 | 507 |
| Interest expense on lease liabilities(refer note 35) | 328 | 352 |
| Expense relating to short-term leases (included in other expenses and Staff welfare expense) | 652 | 563 |
| Expense relating to leases of low value assets (included in other expenses) | 50 | 43 |
| Rent concession | - | (29) |

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



MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2022
 (All amounts are in Indian Rupees Lakhs, unless stated otherwise)

5 Intangible assets

| Deemed Cost | Computer software | Total |
|----------------------------------|--------------------------|--------------|
| At April 1, 2020 | 383 | 383 |
| Additions | 71 | 71 |
| Disposals | - | - |
| At March 31, 2021 | 454 | 454 |
| Additions | 106 | 106 |
| Disposals | - | - |
| At March 31, 2022 | 560 | 560 |
| Depreciation | | |
| At April 1, 2020 | 155 | 155 |
| Charge for the year | 161 | 161 |
| Disposals | - | - |
| At March 31, 2021 | 316 | 316 |
| Charge for the year | 100 | 100 |
| Disposals | - | - |
| At March 31, 2022 | 416 | 416 |
| Net carrying value as at: | | |
| At March 31, 2021 | 138 | 138 |
| At March 31, 2022 | 144 | 144 |

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MTR Foods Private Limited
Notes to Standalone financial statements for the year ended March 31, 2022
(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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| In subsidiaries: (at cost unless stated otherwise) | | |
| Unquoted equity shares: | | |
| 50,000 (March 31, 2021: 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 |
| 96,56,900 (March 31, 2021: 96,56,900) Equity shares of Rs. 10 each fully paid-up in Eastern Condiments Private Limited [refer note: 50] | 1,84,416 | 1,84,416 |
| | (A) | 1,87,123 |
| In associates: (at cost unless stated otherwise) | | |
| Unquoted equity shares: | | |
| 3,514 (March 31, 2021: 3,514) Equity shares of Rs.10 each fully paid-up in Pot Ful India Private Limited (Goodwill on acquisition of Rs.1,105) [refer note (ii) below] | 1,317 | 1,317 |
| | (B) | 1,317 |
| Total | (A+B) | 1,88,440 |

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

Unquoted equity instruments:

| | | |
|---|---|----|
| 1,403 (March 31, 2021: 1,403) Equity shares of Rs.10 each fully paid-up in Firmroots Private Limited [refer note (iii) below] | - | 39 |
|---|---|----|

| | | |
|--------------|----------|-----------|
| Total | - | 39 |
|--------------|----------|-----------|

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

Unquoted mutual funds:

| | | |
|---|-------|-------|
| Aditya Birla Sun Life Liquid Fund 1,622,789,345 units (March 31, 2021 : 517,397,591 units) | 5,568 | 1,716 |
| ICICI Prudential Liquid Fund 1,735,406.32 units (March 31, 2021 : 451,559,058 units) | 5,472 | 1,377 |

| | | |
|--------------|---------------|--------------|
| Total | 11,040 | 3,093 |
|--------------|---------------|--------------|

| | | |
|--|----------|----------|
| Aggregate book value of unquoted investments | 1,99,480 | 1,91,572 |
| Aggregate amount of impairment in value of investments | - | - |

Note:

- i) As at March 31, 2022, Rasoi Magic Foods (India) Private Limited ("Rasoi") has a negative net worth of Rs. 263 (March 31, 2021: Rs. 309). 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 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.
- iii) 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. Management has assessed the fair value of the investment in FPL as at March 31, 2022 amounting to Rs. Nil (March 31, 2021 Rs. 39).



MTR Foods Private Limited
Notes to Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

7 Non current - loans (at amortised cost)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Loans to employees | 42 | 54 |
| Loans to related parties (refer note (i) below) | 500 | - |
| | 542 | 54 |
| Sub-classification of Loans: | | |
| Loan receivables considered good- Secured | - | - |
| Loan receivables considered good- Unsecured | 542 | 54 |
| Loan receivables which have significant increase in credit risk | - | - |
| Loan receivables - credit impaired | - | - |
| | 542 | 54 |
| i) Loans to related parties comprise of the following: | | |
| a) PotFul India Private Limited (Associate) | 500 | - |
| Maximum amount outstanding during the year | 500 | - |

The Company has given a loan to Pot Ful India Private Limited for its principal business activities. One of the promoter director of the associate pledged his equity shares as security. The loan is repayable in September 2024 at an interest rate of 7% per annum.

8 Other non current financial assets

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| Security deposits for leased premises | 334 | 265 |
| Other deposits | 264 | 226 |
| | 598 | 491 |

9 Other non-current assets

| | As at March 31, 2022 | As at March 31, 2021 |
|------------------|-------------------------|-------------------------|
| Capital advances | 17 | 90 |
| Prepaid expenses | - | 44 |
| | 17 | 134 |

10 Deferred tax assets /(liability)[net]

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| Deferred tax assets /(liability)[net] | 851 | 698 |
| | 851 | 698 |

Deferred tax relates to the following

| | Standalone Balance sheet | | Standalone statement of Profit and loss and OCI | |
|---|--------------------------|-------------------------|---|------------------------------|
| | As at March 31, 2022 | As at March 31, 2021 | Year ended March 31, 2022 | Year ended March 31, 2021 |
| 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 | (254) | (345) | (91) | (126) |
| Employee retirement benefit expenditure and bonus payable charged to the statement of profit and loss account but allowed for tax purposes on payment basis | 372 | 375 | 3 | (28) |
| Impact of Ind AS-116 ROU assets & lease liabilities | 315 | 285 | (30) | (20) |
| Other expenses allowable in tax on payment basis | 418 | 383 | (35) | (15) |
| Net deferred tax assets/ (liabilities) | 851 | 698 | (153) | (189) |

Reconciliation of deferred tax assets (net)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 698 | 509 |
| Tax income/(expense) during the year recognised in profit or loss | 173 | 180 |
| Tax income/(expense) during the year recognised in OCI | (20) | 9 |
| Balance at the end of the year | 851 | 698 |



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11 Inventories

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| At lower of cost and net realisable value | | |
| Raw materials (includes Goods-in-transit Rs. Nil (March 31, 2021: Rs. 125)) | 2,897 | 2,659 |
| Packing materials | 978 | 1,280 |
| Work-in-progress | 442 | 250 |
| Finished goods | 3,918 | 3,736 |
| Traded goods | 788 | 509 |
| Stores, spares and consumables | 606 | 566 |
| | 9,629 | 9,000 |

As at March 31, 2022 Rs. 238 (March 31, 2021; Rs. 182) was recognised as provision towards slow moving inventories.

12 Trade receivables

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade receivables include: | | |
| Receivable from related parties (refer note 45) | 16 | 58 |
| Receivable from others | 2,479 | 1,728 |
| | 2,495 | 1,786 |
| Break-up for security details: | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 2,414 | 1,786 |
| Trade Receivables, which have significant increase credit risk | - | - |
| Trade Receivables, credit impaired | 81 | 90 |
| | 2,495 | 1,876 |
| Less: Allowance for expected credit loss | (81) | (90) |
| | 2,414 | 1,786 |

Trade receivables Ageing Schedule

| As at March 31, 2022 | Current but not due | Outstanding for the following periods from the due date of payment | | | | | Total |
|---|---------------------|--|-------------------|-----------|-----------|-------------------|--------------|
| | | Less than 6 Months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables – considered good | 2,075 | 329 | 5 | 5 | - | - | 2,414 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivable - credit impaired | - | - | - | 10 | 3 | 4 | 17 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | - | 64 | 64 |
| Total | 2,075 | 329 | 5 | 15 | 3 | 68 | 2,495 |

| As at March 31, 2021 | Current but not due | Outstanding for the following periods from the due date of payment | | | | | Total |
|---|---------------------|--|-------------------|-----------|-----------|-------------------|--------------|
| | | Less than 6 Months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables – considered good | 1,399 | 387 | - | - | - | - | 1,786 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivable - credit impaired | - | 3 | 9 | 8 | 4 | 2 | 26 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | 64 | - | 64 |
| Total | 1,399 | 390 | 9 | 8 | 68 | 2 | 1,876 |



MTR Foods Private Limited
Notes to Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

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.

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.

13 Current financial assets- Loans

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Loans to employees | 204 | 167 |
| Loans to related parties (refer note (i) below) | 550 | - |
| | 754 | 167 |
| Sub-classification of Loans: | | |
| Loan receivables considered good- Secured | - | - |
| Loan receivables considered good- Unsecured | 754 | 167 |
| Loan receivables which have significant increase in credit risk | - | - |
| Loan receivables - credit impaired | - | - |
| | 754 | 167 |
| i) Loans to related parties comprise of the following: | | |
| a) Rasoi Magic Foods (India) Private Limited (Subsidiary) | 550 | - |
| Maximum amount outstanding during the year | 600 | - |

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

| Type of Borrower | As at March 31, 2022 | | As at March 31, 2021 | |
|--------------------------------------|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Loan to related parties (Subsidiary) | 550 | 42% | - | 0% |
| Total | 550 | | - | |

14 Cash and cash equivalents

| | As at March 31, 2022 | As at March 31, 2021 |
|----------------------|-------------------------|-------------------------|
| Balances with banks: | | |
| On current accounts | 222 | 764 |
| Cash on hand | 2 | 2 |
| | 224 | 766 |

15 Bank balances other than above

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 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, 2021 | Adjustment | Cash flows (net) | Non-cash changes | | As at March 31, 2022 |
|---|---------------------|------------|------------------|------------------------|------------|----------------------|
| | | | | Fair Value adjustments | Others | |
| Investing activities | | | | | | |
| Non-current investments (also refer note: 50) | 1,88,479 | - | - | (39) | - | 1,88,440 |
| Current investments | 3,093 | - | 7,750 | 48 | 149 | 11,040 |
| Total | 1,91,572 | - | 7,750 | 9 | 149 | 1,99,480 |

| | As at April 1, 2020 | Adjustment | Cash flows (net) | Non-cash changes | | As at March 31, 2021 |
|-----------------------------|---------------------|------------|------------------|------------------------|------------|----------------------|
| | | | | Fair Value adjustments | Others | |
| Financing activities | | | | | | |
| Current borrowings | 1,000 | - | 1,500 | - | - | 2,500 |
| Lease liabilities | 3,133 | - | (785) | - | 786 | 3,134 |
| Total | 4,133 | - | 715 | - | 786 | 5,634 |

| | 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 | - | 1,27,263 | (14) | 56,978 | 1,88,479 |
| Current investments | 6,676 | - | (4,100) | 3 | 514 | 3,093 |
| Total | 10,928 | - | 1,23,163 | (11) | 57,492 | 1,91,572 |

| | As at April 1, 2020 | Adjustment | Cash flows (net) | Non-cash changes | | As at March 31, 2021 |
|-----------------------------|---------------------|------------|------------------|------------------------|------------|----------------------|
| | | | | Fair Value adjustments | Others | |
| Financing activities | | | | | | |
| Current borrowings | 350 | - | 650 | - | - | 1,000 |
| Lease liabilities | 3,485 | - | (745) | - | 393 | 3,133 |
| Total | 3,835 | - | 95 | - | 393 | 4,133 |

16 Current financial assets-Others

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|----------------------|----------------------|
| Security deposits for leased premises | 98 | 70 |
| Other receivables | 378 | 102 |
| Interest accrued on fixed deposits | - | 16 |
| Derivative assets (refer below note) | 13 | 8 |
| | 489 | 196 |

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

17 Other current assets

| | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Unsecured, considered good | | |
| Prepaid expenses | 273 | 225 |
| Balances with statutory/ government authorities | | |
| Unsecured, considered good | 561 | 983 |
| Unsecured, considered doubtful | 150 | - |
| | 711 | 983 |
| Less: provision for doubtful balances | (150) | - |
| | 561 | 983 |
| Advances recoverable in kind** | | |
| Unsecured, considered good | 686 | 339 |
| Unsecured, considered doubtful | 18 | 18 |
| | 704 | 357 |
| Less: provision for doubtful advances | (18) | (18) |
| | 686 | 339 |
| Export incentive receivables | 256 | 104 |
| Property, plant and equipment held for sale | - | - |
| | 1,776 | 1,651 |

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

*Rounded off to the nearest lakhs



MTR Foods Private Limited

Notes to the Standalone financial statements for the year ended March 31, 2022

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

18 Share Capital

a) Authorised shares

| | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|--------|----------------------|--------|
| | No. of shares | Amount | No. of shares | Amount |
| As at the beginning of the year | 5,00,00,000 | 5,000 | 5,00,00,000 | 5,000 |
| Increase during the year | - | - | - | - |
| As at the end of the year | 5,00,00,000 | 5,000 | 5,00,00,000 | 5,000 |
| Issued, subscribed and paid-up share capital | | | | |
| Equity shares of Rs.10 each fully paid up | 1,23,30,269 | 1,233 | 1,23,30,269 | 1,233 |
| Total issued, subscribed and paid-up share capital | 1,23,30,269 | 1,233 | 1,23,30,269 | 1,233 |

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

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---------------------------------|----------------------|--------|----------------------|--------|
| | Numbers | Amount | Numbers | Amount |
| As at the beginning of the year | 1,23,30,269 | 1,233 | 98,09,269 | 981 |
| Add: Issued during the year | - | - | 25,21,000 | 252 |
| | 1,23,30,269 | 1,233 | 1,23,30,269 | 1,233 |

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, 2022 | | As at March 31, 2021 | |
|--|----------------------|--------|----------------------|--------|
| | Numbers | Amount | Numbers | Amount |
| (i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company | 1,23,30,209 | 1,233 | 1,23,30,209 | 1,233 |
| Equity shares of Rs. 10 each fully paid up | | | | |
| (ii) Orkla Food Ingredients AS, Norway, Associate Company | 60 | -* | 60 | -* |
| Equity shares of Rs. 10 each fully paid up | | | | |

* Rounded off to nearest lakhs



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MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs except share data and per share data, unless stated otherwise)

e) Details of shares held by promoters

| As at March 31, 2022 | | | | | |
|--|---|------------------------|-------------------------------------|-------------------|--------------------------|
| Promoter Name | No of shares at the beginning of the year | Change during the year | No of shares at the end of the year | % of Total shares | % change during the year |
| (i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company | 1,23,30,209 | - | 1,23,30,209 | 99.9995% | - |
| Equity shares of Rs. 10 each fully paid up | | | | | |
| (ii) Orkla Food Ingredients AS, Norway, Associate Company | 60 | - | 60 | -* | - |
| Equity shares of Rs. 10 each fully paid up | | | | | |
| Total | 1,23,30,269 | - | 1,23,30,269 | 100% | - |

As at March 31, 2021

| Promoter Name | No of shares at the beginning of the year | Change during the year | No of shares at the end of the year | % of Total shares | % change during the year |
|--|---|------------------------|-------------------------------------|-------------------|--------------------------|
| (i) Orkla Asia Pacific Pte Ltd, Singapore, the immediate holding company | 98,09,209 | 25,21,000 | 1,23,30,209 | 99.9995% | 26% |
| Equity shares of Rs. 10 each fully paid up | | | | | |
| (ii) Orkla Food Ingredients AS, Norway, Associate Company | 60 | - | 60 | -* | - |
| Equity shares of Rs. 10 each fully paid up | | | | | |
| Total | 98,09,269 | 25,21,000 | 1,23,30,269 | 100% | 26% |

* Rounded off to nearest number

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

| As at March 31, 2021 | | | |
|----------------------|-----------|-------------|-----------|
| Numbers | % holding | Numbers | % holding |
| 1,23,30,209 | 99.9995% | 1,23,30,209 | 99.9995% |

Equity shares of Rs.10 each fully paid
Orkla Asia Pacific Pte Ltd, Singapore

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.

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

| As at March 31, 2022 | | As at March 31, 2021 | |
|----------------------|-----------|----------------------|-----------|
| Numbers | % holding | Numbers | % holding |
| 33,73,731 | | 33,73,731 | |

Equity shares bought back by the Company



MTR Foods Private Limited

Notes to the Standalone financial statements for the year ended March 31, 2022

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

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.

19 Other Equity

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Capital redemption reserve | 337 | 337 |
| Retained earnings | 47,387 | 39,130 |
| Security Premium Reserve (Net off stamp duty on issue of shares of Rs.111) | 1,11,014 | 1,11,014 |
| Other equity (Share based payment) | 144 | 92 |
| Other comprehensive income (Fair value gain/(loss) on equity investment) | 112 | 141 |
| Shares to be issued on account of investment in subsidiary (refer note:50) | 27,000 | 27,000 |
| Total other equity | 1,85,994 | 1,77,714 |

Note : refer 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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MTR Foods Private Limited

Notes to the Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

20 Government grants

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Grant received for capital assets under Export Promotion Capital Goods (EPCG) scheme (refer note 44b) | 107 | 107 |
| | 107 | 107 |

Movement in liability is as follows:

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Opening balance | 107 | 117 |
| Received during the year | - | - |
| Released to the statement of profit and loss | - | (10) |
| Refunded | - | - |
| Closing balance | 107 | 107 |
| Current | - | - |
| Non-current | 107 | 107 |

21 Other non-current liabilities

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Interest on Government grants (refer note 44b) | 93 | 74 |
| | 93 | 74 |

22 Borrowings

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Short term loan from Bank (Unsecured) [refer note (i) below] | 2,500 | 1,000 |
| | 2,500 | 1,000 |

Details of security and terms of repayment

i) The Company has taken a short term loan of Rs. 2,500 (March 31, 2021 : Rs. 1,000) for a duration of less than 1 year and carrying at floating interest rate range between 3.16% to 3.43% (March 31, 2021 : 3.02% to 3.53% per annum).

23 Trade payables

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Total outstanding dues of micro and small enterprises (refer note below) | 748 | 1,183 |
| Total outstanding dues of creditors other than micro and small enterprises* | 6,357 | 7,889 |
| | 7,105 | 9,072 |

* Includes payable to related parties (refer note 45)

* Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms.



Trade Payable Ageing Schedule

| As at March 31, 2022 | Unbilled | Current but not due | Outstanding for following periods from due date of payment | | | | Total |
|--|--------------|---------------------|--|-----------|-----------|-------------------|--------------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 35 | 702 | 5 | 5 | 1 | - | 748 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,671 | 1,394 | 255 | 6 | 7 | 24 | 6,357 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Total | 4,706 | 2,096 | 260 | 11 | 8 | 24 | 7,105 |

| As at March 31, 2021 | Unbilled | Current but not due | Outstanding for following periods from due date of payment | | | | Total |
|--|--------------|---------------------|--|-----------|-----------|-------------------|--------------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 119 | 1,001 | 62 | 1 | - | - | 1,183 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,012 | 1,616 | 226 | 8 | 4 | 23 | 7,889 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Total | 6,131 | 2,617 | 288 | 9 | 4 | 23 | 9,072 |

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

| | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| (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** | 851 | 1,275 |
| Interest due on above | -* | 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 | 236 | 844 |
| Interest | 1 | 4 |
| (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 |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | -* | 14 |
| (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. | 8 | 14 |

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, 2022 to the extent of Rs. 103 (March 31, 2021: Rs.92)
Rounded off to nearest lakhs



MTR Foods Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

24 Other financial liabilities

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 24(a) Other non current financial liabilities | | |
| Liability on account of investment in subsidiary (refer note: 50) | - | 29,619 |
| Payable to employees | 354 | - |
| | 354 | 29,619 |
| 24(b) Other current financial liabilities | | |
| Payable to employees | 1,537 | 2,367 |
| Payable for purchase of capital goods* | 194 | 195 |
| Deposits from suppliers | 44 | 44 |
| Refund liabilities (refer note 28 (d)) | 650 | 361 |
| Liability on account of investment in subsidiary (refer note: 50) | 32,106 | 360 |
| | 34,531 | 3,327 |

*Includes outstanding dues to micro & small enterprises of Rs.103 (March 31, 2021 : Rs. 92)

25 Other current liabilities

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Statutory dues payable * | 469 | 368 |
| Payable towards CSR expenditure | 93 | 103 |
| Contract liabilities (advance from customers) (refer note 28(c)) | 633 | 699 |
| | 1,195 | 1,170 |

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

26 Provisions

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Employee benefit obligation: | | |
| Provision for gratuity (refer note 38) | 22 | 157 |
| Provision for compensated absences | 536 | 573 |
| Other provisions (refer note 41(i)) | 1,142 | 1,142 |
| Total | 1,700 | 1,872 |

27 Current tax liabilities (net)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Income tax liabilities (net of advance tax) | 151 | 230 |
| | 151 | 230 |

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MTR Foods Private Limited
Notes to Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

28 Revenue from operations

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------------------|------------------------------|------------------------------|
| Sale of products | (A) 97,099 | 94,772 |
| Other operating revenue: | | |
| Scrap sales | 131 | 121 |
| Export incentives | 256 | 104 |
| Others | 3 | 21 |
| | (B) 390 | 246 |
| Total revenue from operations | (A+B) 97,489 | 95,018 |

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Revenue from customers within India | 86,872 | 86,191 |
| Revenue from customers outside India | 10,617 | 8,827 |
| Revenue as per the Standalone Statement of Profit and Loss | 97,489 | 95,018 |

(b) Timing of revenue recognition

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------------------|------------------------------|------------------------------|
| Goods transferred at a point in time | 97,099 | 94,772 |
| Goods transferred over time | - | - |
| | 97,099 | 94,772 |

(c) Contract balances

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Contract assets - Trade receivables (refer note 12) | 2,414 | 1,786 |
| Contract liabilities - Advance from customers (refer note 25) | 633 | 699 |

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.

In March 2022, Rs. (9) (March 2021: Rs. 6) was recognised as provision/(reversal) of expected credit loss on contract assets.

(d) Refund liabilities :

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Refund liabilities (Refer note 24(b)) | 650 | 361 |

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Revenue as per contracted price | 1,04,884 | 99,961 |
| Less: | | |
| Sales return | (2,005) | (985) |
| Discounts and volume rebates | (5,390) | (3,958) |
| Revenue as per the Standalone Statement of Profit and Loss | 97,489 | 95,018 |



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MTR Foods Private Limited

Notes to Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

29 Other income

| | <u>Year ended</u> <u>March 31, 2022</u> | <u>Year ended</u> <u>March 31, 2021</u> |
|---|--|--|
| Interest income | | |
| Loan to subsidiary company | 16 | 1 |
| Loan to associates | 18 | - |
| Bank deposit | 87 | 54 |
| Others | - | 5 |
| Unwinding of security deposit | 26 | 21 |
| Gain on termination/modification of right-of-use assets | 1 | - |
| Gain on sale of Property, plant and equipment | 4 | 15 |
| Profit on sale of investments in units of mutual funds | 149 | 514 |
| Write back of Expected credit loss | 9 | - |
| Fair value gain on financial instruments at FVTPL | 52 | 10 |
| Lease rent concession(refer note 4b) | - | 29 |
| Gain on foreign exchange fluctuations | 175 | 78 |
| Liabilities no longer required written back | 34 | 50 |
| Other non-operating income | 65 | 93 |
| | <u>636</u> | <u>870</u> |

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MTR Foods Private Limited

Notes to Standalone financial statements for the year ended March 31, 2022

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

30 Cost of raw material and packing materials consumed

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| a) Raw materials | | |
| Inventory at the beginning of the year | 2,659 | 2,224 |
| Add: Purchases (net) | 37,974 | 36,911 |
| | <u>40,633</u> | <u>39,135</u> |
| Less: Inventory at the end of the year | 2,897 | 2,659 |
| | <u>37,736</u> | <u>36,476</u> |
| b) Packing materials | | |
| Inventory at the beginning of the year | 1,280 | 655 |
| Add: Purchases (net) | 5,461 | 5,561 |
| | <u>6,741</u> | <u>6,216</u> |
| Less: Inventory at the end of the year | 978 | 1,280 |
| | <u>5,763</u> | <u>4,936</u> |
| Total (a+b) | <u><u>43,499</u></u> | <u><u>41,412</u></u> |

31 Purchase of stock-in-trade

| | | |
|----------------------------|--------------|--------------|
| Purchase of stock-in-trade | 8,204 | 7,154 |
| | <u>8,204</u> | <u>7,154</u> |

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Inventories at the beginning of the year | | |
| Traded goods | 509 | 420 |
| Work in progress | 250 | 312 |
| Finished goods | 3,736 | 3,024 |
| | <u>4,495</u> | <u>3,756</u> |
| Inventories at the end of the year | | |
| Traded goods | 788 | 509 |
| Work in progress | 442 | 250 |
| Finished goods | 3,918 | 3,736 |
| | <u>5,148</u> | <u>4,495</u> |
| Decrease/ (increase) in inventories | <u>(653)</u> | <u>(739)</u> |

33 Employee benefits expense

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 9,790 | 9,950 |
| Contribution to provident and other funds (refer note 38) | 418 | 396 |
| Gratuity expense (refer note 38) | 158 | 149 |
| Staff welfare expenses | 1,176 | 1,114 |
| Share based payment (refer note 42) | 91 | 85 |
| | <u>11,633</u> | <u>11,694</u> |



MTR Foods Private Limited

Notes to Standalone financial statements for the year ended March 31, 2022

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

34 Depreciation and amortisation expense

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Depreciation of Property, plant and equipment (refer note 3) | 2,338 | 2,398 |
| Amortisation of Intangible assets (refer note 5) | 100 | 161 |
| Depreciation of Right-of-use assets (refer note 4) | 501 | 507 |
| | 2,939 | 3,066 |

35 Finance costs

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Interest expense on borrowings | 33 | 32 |
| Interest expense on lease liabilities (refer note 4b) | 328 | 352 |
| Unwinding of discount | 2,128 | - |
| | 2,489 | 384 |
| Bank charges | 75 | 63 |
| Interest on income tax | 16 | 18 |
| | 91 | 81 |
| | 2,580 | 465 |

36 Other expenses

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Consumption of stores and spares | 419 | 451 |
| Power and fuel | 1,314 | 1,159 |
| Processing & water charges | 294 | 313 |
| Repairs and maintenance | | |
| Plant and machinery | 406 | 618 |
| Buildings | 86 | 202 |
| Others | 962 | 859 |
| Rent (refer note 40) | 173 | 79 |
| Provision for balances with government authorities | 150 | - |
| Rates and taxes | 102 | 226 |
| Insurance | 174 | 133 |
| Communication costs | 31 | 27 |
| Travelling and conveyance | 375 | 172 |
| Legal and professional fees | 1,079 | 1,369 |
| Payments to auditors [refer note (i) below] | 94 | 94 |
| Advertising and sales promotion | 6,987 | 6,812 |
| Freight and forwarding charges | 3,688 | 2,725 |
| Sales commission | 734 | 612 |
| Provision for doubtful debts and advances | - | 6 |
| Loss on Assets held for sale | - | 18 |
| Advance Written off | - | 5 |
| Assets written off/Scrapping | - | 3 |
| CSR expenses [refer note (39)] | 233 | 183 |
| Miscellaneous expenses | 860 | 721 |
| | 18,161 | 16,787 |



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MTR Foods Private Limited

Notes to Standalone financial statements for the year ended March 31, 2022

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Note (i): Payment to auditors : | | |
| As auditor: | | |
| Audit fee | 72 | 87 |
| In other capacity: | | |
| Other services | 22 | 7 |
| | <u>94</u> | <u>94</u> |

37 Income tax expense

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Current income tax charge | 3,766 | 4,309 |
| Deferred tax credit | (173) | (180) |
| Total | <u>3,593</u> | <u>4,129</u> |
| Deferred tax related to items recognised in OCI during the year | | |
| Re-measurement gains/ (losses) on defined benefit plans | 30 | (6) |
| Fair value gains/ (losses) on equity instruments | (10) | (3) |
| Total charge/(credit) | <u>20</u> | <u>(9)</u> |

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

| | | |
|--|---------------|---------------|
| Accounting profit/ (loss) before income tax | 11,762 | 16,049 |
| Tax expense/(credit) at India's statutory income tax rate of 25.168% | 2,960 | 4,039 |
| Tax effect of: | | |
| Non-deductible expenses for tax purposes | 626 | 85 |
| Others | 7 | 5 |
| Total | <u>3,593</u> | <u>4,129</u> |

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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.418. (March 31, 2021: Rs. 396).

Amount recognised as an expense and included in Note - 33 as "Contribution to provident and other funds"

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Contribution to Government Provident Fund | 417 | 395 |
| Contribution to Employee State Insurance (ESI) | 1 | 1 |
| Total | 418 | 396 |

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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Present value of defined benefit obligation | (2,159) | (2,066) |
| Fair value of plan assets | 2,137 | 1,907 |
| | (22) | (159) |

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

(i) Reconciliation of present value of defined benefit obligation

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Opening defined benefit obligation | 2,066 | 1,790 |
| Current service cost | 149 | 138 |
| Net interest cost | 133 | 123 |
| Benefits paid | (85) | (17) |
| Actuarial (gain)/ losses recognised in other comprehensive income | | |
| - changes in demographic assumptions | (20) | - |
| - changes in financial assumptions | 3 | 71 |
| - experience adjustments | (87) | (39) |
| Closing defined benefit obligation | 2,159 | 2,066 |

(ii) Reconciliation of present value of plan assets

| | | |
|---------------------------------------|--------------|--------------|
| Balance at the beginning of the year | 1,907 | 1,633 |
| Employer's Contribution | 177 | 173 |
| Benefits paid | (85) | (17) |
| Expected return | 124 | 112 |
| Actuarial gains / (losses) | 14 | 6 |
| Balance at the end of the year | 2,137 | 1,907 |

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| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| b. Net benefit expense | | |
| (i) Recognised in profit or loss | | |
| Current service cost | 149 | 138 |
| Interest cost (net) | 9 | 11 |
| | 158 | 149 |
| (ii) Remeasurement recognised in other comprehensive income | | |
| Actuarial loss/(gain) on defined benefit obligation | | |
| - changes in demographic assumptions | (20) | - |
| - changes in financial assumptions | 3 | 71 |
| - experience adjustments | (87) | (39) |
| Return on plan assets (greater) / less than discount rate | (14) | (6) |
| | (118) | 26 |

C. Plan assets

Plan assets comprise of the following:

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Investments with insurer in Life Insurance Corporation of India | 100% | 100% |

The Company expects to contribute Rs. 179 (March 31, 2021: Rs.308) 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, 2022 | As at March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| Discount rate | 6.95% | 6.50% |
| Salary escalation rate | 8.50% | 8.00% |
| Attrition | | |
| Upto 45 Years | 7.00% | 7.00% |
| Above 45 years | 5.00% | 3.00% |
| Retirement age | 60 Years | 60 Years |

As at March 31, 2022, the weighted average duration of the defined benefit obligation was 9 years (March 31, 2021: 10 years)

ii. Sensitivity Analysis

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

| | March 31, 2022 | | March 31, 2021 | |
|--|----------------|----------|----------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (+1/-1% movement) | -8.30% | 9.50% | -9.40% | 10.90% |
| Increase/(Decrease) in DBO | (179) | 206 | (194) | 225 |
| Future salary growth (+1/-1% movement) | 8.60% | -7.90% | 10.00% | -8.90% |
| Increase/(Decrease) in DBO | 186 | (170) | 206 | (184) |
| Attrition rate (+50/-50% movement) | -2.00% | 2.70% | -2.10% | 2.70% |
| Increase/(Decrease) in DBO | (44) | 59 | (42) | 55 |

iii. Maturity Profile of Defined Benefit Obligation

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Expected cash flows over the next (valued on undiscounted basis): | | |
| 1 year | 158 | 102 |
| 2 to 5 years | 750 | 595 |
| Beyond 5 years | 3,613 | 3,774 |
| Total expected payments | 4,521 | 4,471 |



MTR Foods Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

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

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, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| a) Gross amount to be required to be spent by the Company during the year | 229 | 177 |
| b) Amount approved by the Board to be spent during the year | 233 | 183 |

| March 31, 2022 | In Cash | Yet to be Paid in cash | Total |
|---|---------|------------------------|-------|
| i) Construction/Aquisition of any asset | - | - | - |
| ii) On purpose other than (i) above | 180 | - | 180 |

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

| Details related to spent/ unspent obligations: | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| i) Contribution to Pubile Trust | - | - |
| ii) Contribution to Charitable Trust | 125 | 25 |
| iii) Directly spent by the Company | 55 | 55 |
| iv) Unspent amount in relation to | | |
| - Ongoing project | 53 | 103 |
| - Other than Ongoing project | - | - |
| Total | 233 | 183 |

In case of Section 135(6) Ongoing project

| Opening Balance as on April 01, 2021 | | Amount Required to be spent during the year | Amount spent during the year | | Closing Balance as on March 31,2022 | |
|--------------------------------------|-----------------------------|---|------------------------------|-------------------------------|-------------------------------------|-------------------------------|
| 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 |
| 103 | - | 233 | 180 | 63 | 53 | 40 |

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, the Company had transferred unspent CSR amount of Rs. 53 relating to ongoing project to a separate unspent CSR account on September 27, 2022 and for the year ended March 31, 2021, the Company has transferred unspent CSR amount of Rs. 103 relating to ongoing project to a separate unspent CSR account before 30 days from end of financial year.

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MTR Foods Private Limited

Notes to Standalone financial statements for the year ended March 31, 2022

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

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.

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis : | | |
| Within one year | 812 | 749 |
| After one year but not more than five year | 2,711 | 2,347 |
| More than five years | 905 | 1,425 |
| Total | 4,428 | 4,521 |

Total cash outflow for leases for the year ended March 31, 2022 is Rs.1,487 (March 31, 2021: Rs.1,350).

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Lease commitment for short-term leases | 55 | 53 |
| Lease commitment for leases of low value assets | 3 | - |
| Total | 58 | 53 |

b) Other commitments

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances. | 225 | 434 |
| b) As at March 31, 2022 and March 31, 2021, 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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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 |
| (ii) Other litigations [refer note (iii) below] | 158 | 158 |

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, 2022 and March 31, 2021, 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 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.



MTR Foods Private Limited

Notes to Standalone financial statements for the year ended March 31, 2022

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

(iii) Other litigations include Rs. 158 (March 31, 2021 : 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, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Guarantees given by banks on behalf of the Company for contractual obligations of the Company. | 189 | 189 |
| Guarantees given by the Company to the banks on behalf of its suppliers | 1,270 | - |

The necessary terms and conditions have been complied with and no liabilities have arisen. The Company has given commitments of Rs. 1,270 (March 31, 2021: NIL) to purchase raw materials from certain vendors in the normal course of its business.

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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.

In 2020, Orkla introduced a long-term incentive programme (LTI programme) based on share options, as a replacement for the previous cash-based LTI programme. Options will be allocated under this programme once a year, and the first allocation was made in June 2021.

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 - Cash settled

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. During the year ended March 31, 2021 the LTI vests 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, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Expense arising from equity-settled share-based payment transactions | 91 | 85 |
| Total | 91 | 85 |

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

| Particulars | March 31, 2022 | March 31, 2021 |
|--|------------------|-----------------|
| | Number of Shares | |
| Outstanding at the beginning of the year | 2,81,163 | 1,67,187 |
| LTIs granted during the year | - | 1,13,976 |
| LTIs vested during the year | (1,67,187) | - |
| LTIs forfeited during the year | - | - |
| Adjustments (if any) | - | - |
| LTIs transferred during the year (net) if any | - | - |
| Outstanding at the ending of the year | 1,13,976 | 2,81,163 |
| The weighted average fair value of LTI at grant date (Rs.) | 95 | 95 |

Long Term Incentive (LTI) Scheme - Share option

The yearly allocation will be based on the share price on the day after the Annual General Meeting. Of the total options allocated for the year, 20% may be exercised after one year (tranche 1), another 20% after two years (tranche 2) and the remaining 60% after three years (tranche 3). The last date on which they may be exercised is five years after the allocation date. The exercise price will be set at the market price at the allocation date with an increase of 3% per year in the vesting period. The exercise price will be adjusted for dividends. In the event of the employee's resignation, all options that have not been exercised will expire.

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

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|------------------|---------------|------------------|------|
| | Number of shares | WAEP | Number of shares | WAEP |
| Outstanding option at the beginning of the year | - | - | - | - |
| Granted during the year | 74,429 | 661.52 | - | - |
| Vested during the year | - | - | - | - |
| Forfeited during the year | - | - | - | - |
| Outstanding option at the ending of the year | 74,429 | 661.52 | - | - |
| Exercisable at March 31 | - | - | - | - |

The weighted average remaining contractual life for the share options outstanding as at March 31, 2022 was 4.04 years (March 31, 2021: Nil)

The weighted average fair value of options granted during the year was Rs. 92.69 (March 31, 2021: Rs. Nil)

The range of exercise prices for options outstanding at the end of the year was Rs. 90.02 to Rs. 98.18 (March 31, 2021: Rs. Nil)

The option value is calculated using the Black-Scholes model. The table below shows the assumptions on which the calculation is based. The exercise price at the exercise date must be adjusted for dividends paid out up to the exercise date.

| | 31-Mar-22 | | |
|--|-----------|-----------|-----------|
| | Tranche 1 | Tranche 2 | Tranche 3 |
| Number of Options | 74,429 | 74,429 | 74,429 |
| Dividend yield (%) | 3.66% | 3.66% | 3.66% |
| Expected volatility (%) | 23.06% | 22.56% | 21.66% |
| Risk-free interest rate (%) | 6.50% | 7.20% | 8.00% |
| Expected life of share options (years) | 3.00 | 3.50 | 4.00 |
| Exercise price at allocation | 704.90 | 704.90 | 704.90 |
| Exercise price at first possible exercise date | 648.72 | 657.56 | 667.19 |

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.



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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 NIL (March 31, 2021 : 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 had 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 interest in its books since the date of availing such benefit amounting to Rs. 93 (March 31, 2021: Rs.74).

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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 |

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

| Nature of transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| i) Transactions during the year : | | |
| Holding and Ultimate Holding companies: | | |
| Orkla Asia Pacific Pte Ltd | | |
| Reimbursement of expenses from related parties | - | -* |
| Issue of equity shares | - | 1,11,378 |
| * Rounded off to nearest lakhs | | |
| Orkla ASA | | |
| Receipt of services | 269 | 297 |
| Reimbursement of expenses to related parties | 108 | 20 |
| Reimbursement of expenses from related parties | - | 119 |
| Share based payments | 41 | 85 |
| Fellow Subsidiaries: | | |
| Orkla IT AS | | |
| Reimbursement of expenses to related parties | 47 | 36 |
| Jordan Asia Pacific SDN. BHD. | | |
| Purchase of traded goods | 339 | - |
| Lilleborg AS | | |
| Purchase of traded goods | - | 21 |
| Subsidiary: | | |
| Rasoi Magic Foods (India) Private Limited | | |
| Other income | 35 | 34 |
| Purchase of traded goods | 132 | 110 |
| Receipt of services | 35 | 35 |
| Reimbursement of expenses from related parties | 9 | 7 |
| Patent fees | 3 | 3 |
| Interest on loan | 16 | 1 |
| Eastern Condiments Private Limited | | |
| Sale of goods and packing materials | 109 | - |
| Purchase of traded goods | 621 | - |
| Reimbursement of expenses from related parties | 494 | - |
| Associate: | | |
| Firmroots Private Limited | | |
| Advance written off | - | 101 |
| Interest on loan | - | 5 |
| Interest on loan written off | - | 11 |
| Pot Ful India Private Limited | | |
| Interest on loan | 18 | - |



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MTR Foods Private Limited
Notes to Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

| ii) Balances outstanding as at year end : | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Amounts receivable from : | | |
| Orkla ASA | 41 | 42 |
| Rasoi Magic Foods (India) Private Limited | 30 | 16 |
| Eastern Condiments Private Limited (include Trade receivable of Rs. 16 (March 31, 2021:Nil) | 256 | - |
| Firmroots Private Limited | | |
| Outstanding amount | - | 101 |
| Less: written off | - | (101) |
| Net balance | - | - |
| Amounts payable to : | | |
| Orkla ASA | 41 | 132 |
| Orkla IT AS | 1 | -* |
| Jordan Asia Pacific SDN. BHD. | 158 | - |
| Rasoi Magic Foods (India) Private Limited | 27 | 8 |
| Eastern Condiments Private Limited | 111 | - |

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, 2022 | - | 600 | (50) | 550 | 5 |
| March 31, 2021 | 50 | 850 | (900) | - | -* |
| ii) Associates | | | | | |
| Pot Ful India Private Limited | | | | | |
| March 31, 2022 | - | 500 | - | 500 | 9 |
| March 31, 2021 | - | - | - | - | - |
| Firmroots Private Limited | | | | | |
| March 31, 2022 | - | - | - | - | - |
| March 31, 2021 | 75 | - | (75) | - | - |

*Rounded off to nearest lakhs

c. Compensation to key managerial personnel

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Short-term employee benefits* | 993 | 742 |
| Post-employment benefits | (4) | 5 |
| Total compensation paid to key managerial personnel ** | 989 | 747 |

**The amounts disclosed in the above table are the amounts recognised as an expense during the reporting period related to key managerial personnel and does not include share based payment expense.

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 in March 2021.

(c) The Company had granted a unsecured loan facility to Pot Ful India Private limited ("Pot Ful") at the interest rate of 7% p.a, for its principal business activities. The said loan is repayable by September 2024 and interest rests quarterly.

(d) 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. The Company has recorded impairment of receivables owed by related parties amounting to Rs. Nil (March 31, 2021: Rs. 101). 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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MTR Foods Private Limited
Notes to Standalone financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees Lakhs, unless stated otherwise)

46 Ratio analysis and its elements

| S No | Ratio | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Change | Reason for variance |
|------|---------------------------------|--|---|----------------|----------------|----------|---|
| 1 | Current Ratio | Current Assets | Current Liabilities | 0.55 | 1.03 | -46% | Decrease on account of classification of current maturities of long term liabilities in current year. |
| 2 | Debt-Equity Ratio | Total Debt | Equity | 0.03 | 0.02 | 30% | Increase on account of increase in short term borrowings. |
| 3 | Debt Service coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 4.12 | 13.64 | -70% | Decrease on account of decrease in profit after tax(excluding OCI) and increase in repayment of borrowing. |
| 4 | Return on Equity ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 0.04 | 0.11 | -61% | Decrease on account of decrease in profit after tax(excluding OCI) and increase in average shareholder's equity in current year on account of right issue in the previous year. |
| 5 | Inventory Turnover ratio | Cost of goods sold | Average Inventory | 5.48 | 5.90 | -7% | |
| 6 | Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 46.42 | 55.75 | -17% | |
| 7 | Trade Payables Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return. | Average Trade Payables | 6.38 | 6.07 | 5% | |
| 8 | Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | (9.38) | 41.93 | -122% | Decrease on account of classification of current maturities of long term liabilities in current year. |
| 9 | Net Profit Ratio | Net Profit | Net sales = Total sales - sales return | 0.08 | 0.13 | -33% | Decrease on account of decrease in profit after tax(excluding OCI) and increase in sales. |
| 10 | Return on Capital employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.07 | 0.09 | -18% | |
| 11 | Return on Investment | Interest (Finance Income) | Investment | 0.17 | 0.11 | 62% | Increase on account of increase in investment in fixed deposit in current year. |

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47 Fair value hierarchy

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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Financial assets measured at fair value | | |
| Investments in unquoted equity shares (measured through other comprehensive income) ^ | - | 39 |
| Investments in units of mutual funds (measured through profit and loss) # | 11,040 | 3,093 |
| Derivative assets ## | 13 | 8 |
| Total (A) | 11,053 | 3,140 |
| Financial assets carried at amortised cost | | |
| Loans ^ | 1,296 | 222 |
| Trade receivables* | 2,414 | 1,786 |
| Cash and cash equivalents* | 224 | 766 |
| Bank balances other than cash and cash equivalents* | - | 1,000 |
| Other financial assets* | 1,074 | 678 |
| Total (B) | 5,008 | 4,452 |
| Total financial assets (A+B) | 16,061 | 7,592 |
| Financial liabilities carried at amortised cost | | |
| Lease liabilities ^ | 3,134 | 3,133 |
| Short-term borrowings* | 2,500 | 1,000 |
| Trade payables* | 7,105 | 9,072 |
| Other financial liabilities * | 34,885 | 32,946 |
| Total financial liabilities | 47,624 | 46,151 |

*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, 2022 and March 31, 2021.

48 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:

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 5 customers (March 31, 2021: 7 customers) that owed more than Rs.100 each and accounted for approximately 66% (March 31, 2021: 84%) of all the receivables and contract asset outstanding.

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



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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, 2022 and March 31, 2021 are as follows:

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

Movement in the expected credit loss allowance

As at the beginning of the year

Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses

As at the end of the year

| | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| | 90 | 84 |
| | (9) | 6 |
| | 81 | 90 |

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.

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, 2022:

| | Less than 1 year | 1-5 years | More than 5 years | Total |
|---|------------------|--------------|-------------------|---------------|
| Non-derivative financial liabilities: | | | | |
| Lease liabilities | 812 | 2,711 | 905 | 4,428 |
| Borrowings | 2,500 | - | - | 2,500 |
| Trade payables | 7,105 | - | - | 7,105 |
| Other financial liabilities | 36,227 | 354 | - | 36,581 |
| Total non-derivative financial liabilities | 46,644 | 3,065 | 905 | 50,614 |



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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 | 33,443 | - | 36,770 |
| Total non-derivative financial liabilities | 14,148 | 35,790 | 1,425 | 51,363 |

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.

The Company has entered into following outstanding forward exchange contracts as on March 31, 2022 and March 31, 2021 in respect of highly probable exports:

| Currency | As at March 31, 2022 | As at March 31, 2021 |
|----------------------|-------------------------|-------------------------|
| US Dollar (in Lakhs) | 24 | 17 |
| INR (in Lakhs) | 1,836 | 1,269 |

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

| Amount receivable / payable in foreign currency on account of following: | | Amount in foreign currency (in Lakhs) | | Amount in Rupees (in Lakhs) | |
|--|------|---------------------------------------|-------------------------|-----------------------------|-------------------------|
| | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Receivables | GBP | -* | -* | 27 | 31 |
| | NOK | 4.62 | - | 41 | - |
| | USD | 22 | 14 | 1,691 | 995 |
| Customer Advances | USD | -* | -* | 21 | 14 |
| | AUD | - | -* | - | 1 |
| Advance recoverable (including capital advance) | USD | - | -* | - | 14 |
| | EURO | -* | -* | 23 | 18 |
| | GBP | - | 1 | - | 86 |
| Trade and other payables | USD | 2 | 2 | 158 | 111 |
| | NOK | 4 | 3 | 41 | 27 |
| | AUD | - | -* | - | 3 |
| | EURO | - | -* | - | 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.

* Rounded off to nearest lakhs

(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 susceptible 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.



49 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, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Net debt (total borrowings, net of cash and cash equivalents) | 2,276 | 234 |
| Total equity | 1,87,227 | 1,78,947 |
| Net debt to equity ratio | 0.01 | - |

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, 2022 and March 31, 2021.

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50 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share capital data used in the basic and diluted EPS computation:

| Weighted average number of Equity shares | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--|--|
| Number of equity shares at the beginning of the year | 1,23,30,269 | 98,09,269 |
| Equity shares issued | - | 41,441 |
| Equity shares to be issued upon conversion of ROCPS | 6,11,128 | - |
| Weighted average number of equity shares outstanding at the end of the year | 1,29,41,397 | 98,50,710 |
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Profit attributable to the equity shareholders | 8,169 | 11,920 |
| Basic earnings per share | 63 | 121 |
| Diluted earnings per share | 63 | 121 |

51 Investment in subsidiary

During the previous year ended, 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 was 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, 2022, the fair value of consideration payable in cash amounting to Rs. 31,746 (March 31, 2021: Rs. 29,619) (on an amortised basis) and Rs. 360 (March 31, 2021: Rs 360) is payable for the final adjustment to working capital is disclosed as financial liability and the balance amount of Rs. 27,000 (March 31, 2022: 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 was recorded during the year ended March 31, 2021 as below:

| Particulars | Amount |
|--|-----------------|
| Consideration discharged through bank | 1,27,438 |
| 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 | 1,84,416 |

(b) Analysis of cash flows on acquisition

| | |
|---|-----------------|
| Consideration paid in cash (included in cash flows used in investing activities) | 1,27,438 |
| Transaction cost of the acquisition (included in cash flows used in operating activities) | 882 |
| Total cash flow on acquisition | 1,28,320 |



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(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 of the date of approval of these financial statements.

(e) Acquisition related cost:

During the year ended March 31, 2021, the Company had incurred acquisition related cost on legal and other fees amounting to Rs. 882, which were been disclosed under "Other expenses" in the standalone statement of profit and loss.

52 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder

(ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iii) The Company has not traded or invested in Cryptocurrency or Virtual Currency during the year ended March 31, 2022.

(iv) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company do not have any transactions with companies struck off.

(viii) The Company has not been declared as a Wilful Defaulter by any bank or financial institution or Government or any Government authority.

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MTR Foods Private Limited

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53 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

54 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.

55 Previous year figures

The comparative figures have been regrouped/reclassified, where necessary, to confine to this year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants



per Sunil Gagar
Partner

Membership no.: 104315



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



Atle Vidar Johnsen
Chairman

DIN: 01361367



Sanjay Sharma
Director & Chief Executive Officer

DIN: 02581107



B.G. Shenoy
Chief Financial Officer



K. Anesh
Company Secretary

(Membership no: 32470)



Place: Bengaluru

Date: September 27, 2022

Place: Bengaluru

Date: September 27, 2022