Yellow Diamond®

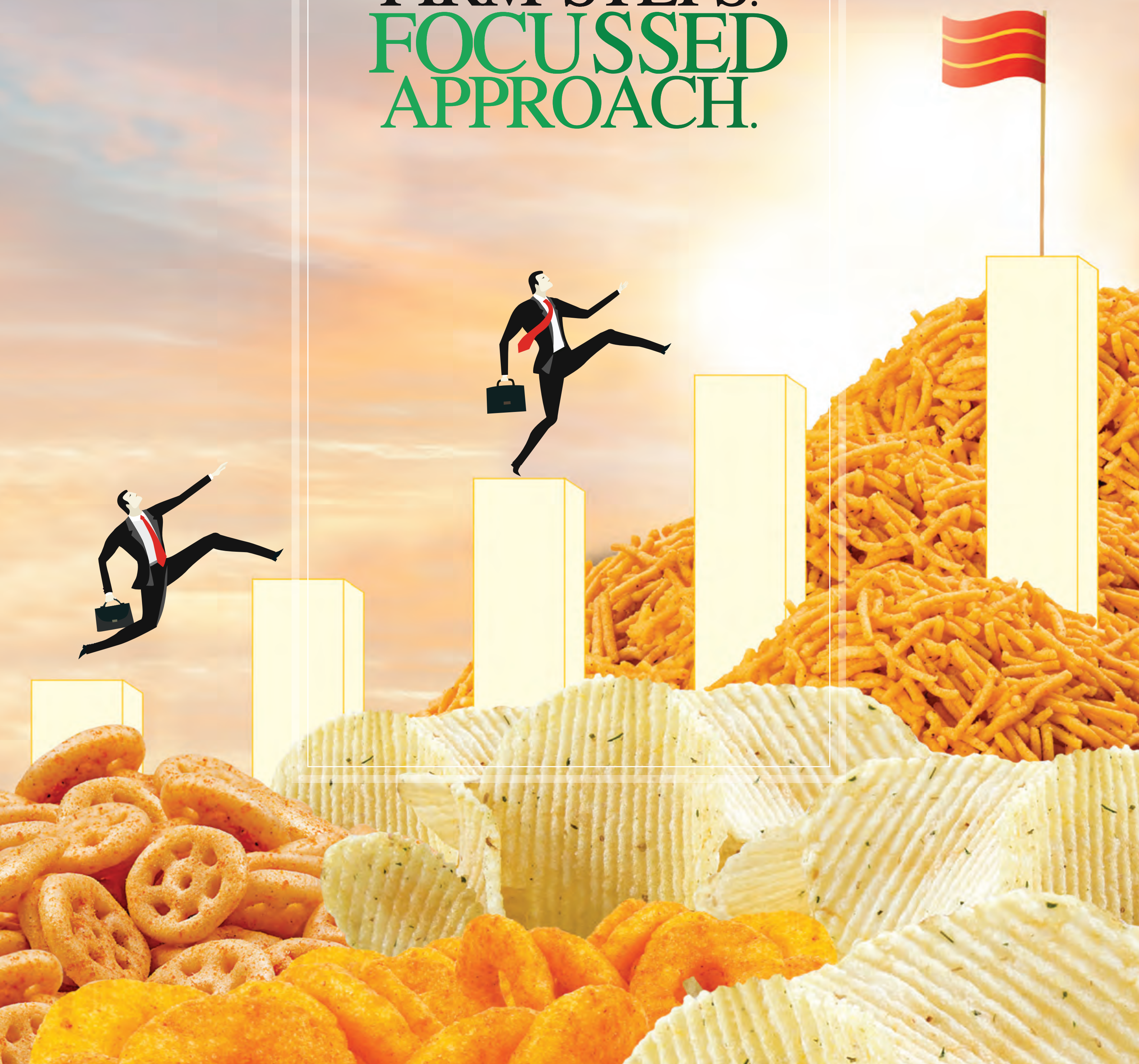
Dildaar hain hum

AVADH®

PRATAAP SNACKS LIMITED

Annual Report 2022-23

FIRM STEPS.
FOCUSSED APPROACH.



WHAT'S INSIDE...

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Forward-Looking Statement
The Annual Report may contain, without limitation, certain statements that include words such as "believes", "expects", "anticipates" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein in the event of change due to new information, future events or otherwise.

FY 2022-23 was a year of renewed vigour and optimism where we worked to pursue our strategic ambitions, enhance operational efficiencies and expand our presence. We navigated the external headwinds with immense grit and determination and delivered a resounding performance. Our performance is a validation of our unwavering commitment to overcome challenges while boldly progressing ahead with appropriate strategies to optimise opportunities across the landscape.

We are very excited about the thriving opportunity presented by the burgeoning middle class and steady increase in consumer spending. The economic growth engine is kicking again. Favourable demographics, rising urbanisation, evolving aspirations and transforming lifestyles are leading to changes in consumption patterns. Consumers are increasingly seeking quality products, convenient and ready-to-eat meals and hygienically packaged foods.

While keeping our focussed growth agenda central to our efforts, we are taking firm steps to move forward and scale high growth. From embracing technology and automation to moving to a direct distribution model to optimising costs through higher production efficiency and better price realisation, we were able to structurally expand our margins and profitability. We have also identified opportunities to expand our reach and deliver delightful and aspirational products to consumers across emerging, high-potential categories to strengthen our market positioning.

Our ESG goals are embedded in how we operate as a business. Conducting our business with integrity and the highest level of governance has been at the core of our corporate behaviour. We continue to follow high standards of governance underpinned by three pillars of Trusteeship, Transparency and Accountability. We also strive to make the world a better place for everyone, everywhere by ensuring a sustainable ecosystem with a positive impact on our planet and communities.

Prataap Snacks at a Glance

CONSISTENTLY OFFERING HIGH-QUALITY SNACKS TO ASPIRATIONAL CONSUMERS

Prataap Snacks, headquartered in Indore, Madhya Pradesh, is a leading and fast-growing Indian snacks food company. We specialise in producing a diverse range of products, including Potato Chips, Extruded Snacks, Namkeen (traditional Indian snacks) and Pellets, which are marketed under our popular and vibrant brands, Yellow Diamond and Avadh. Additionally, we offer a unique portfolio of sweet snacks under Rich Feast brand.

Our commitment lies in creating high-quality, delicious, and innovative products tailored to the preferences and tastes of consumers. We offer a variety of pack sizes at attractive price points. With our lip-smacking products, we have established our presence in 27 states and 4 union territories across India.

Prataap Snacks operates 15 state-of-the-art manufacturing facilities, of which 7 are company-owned (Indore 1&2, Assam 1&2, Bengaluru, Kolkata, and Rajkot), and 8 are operated on a contract manufacturing basis (Kolkata (2), Bengaluru, Hyderabad, Kanpur, Karnal, Patna and Hisar).

To ensure widespread availability of our products, we have built a robust distribution network comprising over 1,500 super distributors and more than 3,700 sub-distributors. This allows us to extend our reach across the country. Our products are readily accessible in metro cities, urban clusters, rural areas, as well as Tier 2 and 3 cities and towns. While we have a strong presence in independent grocers and small retail stores in our key markets, we are actively expanding into supermarkets, hypermarkets, and modern trade outlets.

STRENGTHS THAT POWER US

One of India's youngest and fastest growing companies in organised snacks with pan-India presence

Market leadership: Market leader in Rings, Top 2 in Extruded Snacks, Top 5 in Western Savoury Snacks

Nationwide manufacturing facilities

Diverse product portfolio: Over 125 SKUs across Potato Chips, Extruded Snacks, Namkeen, and Sweet Snacks

Selling about 12 million packets every day translating to more than 8,000 packets sold every minute

Experienced leadership team guided by a competent Board

Presence across 2.20 million retail outlets

DIVERSE PRODUCT PORTFOLIO

Extruded Snacks

% of FY23 Revenue

58%

Chulbule | Rings | Wheels | Pellets | Scoops | Puff | Stix

And many more...

Potato Chips

% of FY23 Revenue

23%

Classic Salted | Tomato | Spicy | Piri Piri | Magic Masala | Cream & Onion

And many more...

Namkeen

% of FY23 Revenue

16%

Moong Dal | Aloo Bhujia | Punjabi Tadka | Ratlami Sev | Masala Sev Mamra | Gathiya

And many more...

Sweet Snacks

% of FY23 Revenue

3%

Choco Vanilla Cake | Cookie Cake | Cup Cake | Swiss Roll | Tiffin Cake | Sandwich Cake

And many more...

Our Journey of Evolution

2011
- Sequoia's initial investment of ₹ 6,200 lakhs in Prataap Snacks
- Prataap Snacks took over the business of Prakash Snacks

2010
- Set up another Potato Chips plant at Indore

2009
- Incorporated Prataap Snacks

2007
- Installed Chulbule plant in Indore

2005
- Set up a plant to manufacture Potato Chips in Indore

2003
- Prakash Snacks incorporated
- Commenced trading in Cheese Balls

2012
- Commissioned Rings and Namkeen plant in Indore
- Introduction of Rings, Namkeen and Wheels

2013
- Doubled the capacity of Potato Chips plant at Indore from 6,000 MT per annum to 12,000 MT per annum

2014
- Commissioned Guwahati plant for Rings, Chulbule and Pellets
- Introduction of Scoops

2015
Introduction of Yoodles and Creamy Sticks

2016
Increased the capacity of Chulbule and Rings plant at Indore

2017
- Guwahati new plant commissioned
- Conversion of Company from Private to Public
- Faering Capital acquired 2.9% stake

2023
- Commissioned facility in Kolkata for Extruded Snacks
- Concluded merger of Avadh Snacks

2022
- Completed restructuring of distribution pyramid

2021
- Launched Plain Cut Chips, Rusk and Foochka
- Converted 3P facility into owned in Bengaluru, Karnataka
- Acquired 10.48% further stake in Avadh Snacks Private Limited

2020
- Successfully launched Cup Cake, Tiffin Cake and Sandwich Cake
- Commenced a 3P in Hisar, Haryana

2019
- Acquired 80% stake in Avadh Snacks Private Limited

2018
- Successful IPO – oversubscribed 47x; listed on NSE & BSE on 5 October, 2017
- Launch of Kurves, Nachos in Salty Snacks and Yum-Pie in Sweet Snacks
- Entered into 3P Contract Manufacturing in Kolkata and Bengaluru

Our Strategic Roadmap to Deliver Sustained Growth

We are focussed on delivering sustainable growth by continuing to invest strategically in scaling our capabilities. Despite the challenges and uncertainties, we remained resilient and used the opportunity to streamline our distribution structure, rationalise costs, optimise processes and enhance efficiencies. It is our endeavour to push the bar of our efforts to capitalise effectively on future opportunities and meet evolving consumer demands.

KEY STRATEGIC INITIATIVES

Strengthening pellets snacks portfolio

Our innovative pellets offerings have been well accepted by consumers and have outperformed in FY 2022-23. The share of pellets has grown significantly from ~3% of revenue in 2017-18 to ~16% of revenue in FY 2022-23, a 5x growth in five years. We have a meaningful market share in pellets category and intend to strengthen the rollout of pellet-based snacks under the Yellow Diamond brand on a pan-India basis in the coming years.

Strengthening distribution network

We have increased our average reach to 2.18 million outlets in FY23 from an average 2.02 million outlets in FY22, and we continue to penetrate existing markets and enhance our distribution network with strategic price points. Our endeavour is to increase range selling in established markets to meet varied consumer needs, enhance consumer loyalty, and drive sales growth. Towards this, we are undertaking efforts across the distribution network to promote the entire range of products at each touchpoint by leveraging the success of popular products. Our aim is to capture a higher proportion of retailer shelf space thereby translating into higher wallet share for each touchpoint. By providing multiple options, we can cater to diverse consumer segments and increase sales volume.

Cost rationalisation

We implemented aggressive cost optimisation measures to mitigate cost inflation in key raw materials and other operating expenses. Direct distribution, resizing of packaging, higher price realisation, grammage rationalisation, and change in recipes without affecting taste and quality and reduction of oil content are some of the measures undertaken which reduced the impact of inflation and enabled us to recover margins and profitability.

Leveraging technology

We are making significant investments in technology and automation to reduce costs and enhance operational efficiencies. We have implemented Sales Force Automation (SFA) in order to receive orders from retailers and optimise sales routes through geotagging of outlets.

Chairman's Message

During the year under review, we recorded a strong revenue growth of 19% YoY to ₹ 1,65,293 lakhs from ₹ 1,39,662 lakhs in FY 2021-22. We are pleased to report our second successive year of strong revenue growth after two years of COVID-led disruptions elevating us to our highest-ever annual revenue.

Dear Shareholders,

It gives me immense pleasure to present our Annual Report for FY 2022-23.

The year witnessed a rapid and swift recovery from the pandemic, but it also brought a fresh wave of difficulties driven by geopolitical uncertainties and inflationary pressures. Inflation reached unprecedented levels, thus impacting consumer sentiment and behaviour. Further, the ongoing Russia-Ukraine conflict and subsequent supply chain disruptions have elevated global economic uncertainty. Central banks across the world raised policy rates to combat the rising interest rates and steer economic growth.

Nonetheless, the Indian economy demonstrated remarkable resilience positioning itself for a return to pre-pandemic growth levels. The Indian economy emerged as an outlier, achieving the highest growth rate among the major large economies thereby emerging as the world's fastest-growing economy.

India clocked a strong Gross Domestic Product (GDP) growth of 7.2% in FY 2022-23 as against 9.1% growth recorded in FY 2021-22. The optimistic growth is a result of positive initiatives by the Government including increasing fiscal investments and implementing favourable policy regime that synergistically converged to propel the economy forward. This included a push for infrastructure development, emphasis on self-reliance, and promoting manufacturing through production-linked incentives (PLI) schemes which helped thrust economic activities.

The Indian snacks food industry has been growing steadily due to the changing demographics and lifestyles, higher disposable incomes and consumer demand, greater workforce availability, and evolving consumption patterns. However, steep increases in input costs and unprecedented inflation in palm oil, which is a key raw material for snacks food companies combined to create a volatile operating backdrop during the year. Despite these challenges, the snacks food industry has demonstrated strong resilience. Improving consumption trend and higher both urban and rural demand have been aiding the growth.

We, at Prataap Snacks, had to contend with a sharp rise in the prices of packaging materials and certain key raw materials which are the major contributors to our costs. Our cost optimisation programme which includes targeted initiatives across technology and automation, process improvements, better sales realisation, compressed distribution structure and channel optimisation enabled us to mitigate the impact of higher commodity prices to a large extent.

We have a strong belief in the immense potential of our brands to elevate Prataap Snacks to a prominent position in the Indian snacks food industry. We have recalibrated our business strategies and improved efficiencies to drive leaner operations with lower operating costs. Our primary purpose has been to optimally leverage the available resources, enhance our operational structure, and consistently deliver value to our business. With a keen eye on the flourishing opportunities in the FMCG industry, we are poised to seize them and further capitalise on our strengths.

SUCCESSFUL TRACK RECORD OF SERVING INDIAN CONSUMERS

Through its evolution, Prataap Snacks has emerged as a leading packaged snacks food company in India's organised snacks industry. We have combined global snacks with local tastes, reaching consumers across all corners of India while retaining several favourites from the range of Indian snacks. Our singular focus has been to offer the best-quality, great-tasting snacks which suit the tastes and preferences of Indian consumers.

Our products are characterised by delicious taste, high quality and hygiene resulting in packaged snacks in exciting flavours that are affordably priced. We are currently the market leader in the Rings Category and top 2 player in extruded snacks category. We are a national brand with a well-entrenched distribution network spanning 27 states and 4 union territories. Today, we are equipped with over 1,500 super distributors and more than 3,700 sub-distributors. Majority of our snacks are targeted towards children and youth, and over the years, our brands have earned high consumer trust.

Our product portfolio comprises potato chips, namkeens, extruded snacks (shaped and random), and pellets. We have also ventured into the sweet snacks category and are overwhelmed to witness commendable consumer response across all our product categories. We are currently selling an average of 12 million packets daily in over 125 SKUs.

OUR PERFORMANCE IN FY 2022-23

During the year under review, we recorded a strong revenue growth of 19% YoY to ₹ 1,65,293 lakhs from ₹ 1,39,662 lakhs in FY 2021-22. We are pleased to report our second successive year of strong revenue growth after two years of COVID-led disruptions elevating us to our highest-ever annual revenue. This has been achieved on the back of expansion of our average distribution reach by nearly 1.6 lakh outlets over the year to 21.8 lakh outlets in FY 2022-23. Our efforts to expand our network through addition of new distributors and more retail touchpoints combined with optimising existing distribution strength have contributed to the growth momentum.

Operationally, the sharp inflation in the prices of packaging materials and certain key raw materials has exerted significant pressure on profitability. Operating EBITDA decreased by 40 basis points (bps) to 3.8% in FY 2022-23, translating to ₹ 6,243 lakhs. Profit after Tax (PAT) for the year stood at ₹ 2,029 lakhs as against ₹ 1,691 lakhs in FY 2021-22, marking a growth of 20% over the previous year. We witnessed the softening of input prices towards the latter part of FY 2022-23. The commodity cycle has started to ease out, and as we move ahead, we anticipate a higher positive impact on the EBITDA margin and profitability from reducing input prices.

Our continued efforts of cost optimisation, gradual implementation of direct distribution model, better price realisation and grammage rationalisation helped restrict the impact on our margins. These process improvements and structural changes have positioned us for an elevated margin profile as we move towards a normalised raw material environment.

Earnings per share was ₹ 8.51 (excluding exceptional item). The Board recommended a dividend of ₹ 1 per share, on a face value of ₹ 5.00 per share.

FOCUSSED STRATEGY TO ACCELERATE GROWTH

Our products are differentiated, giving us a competitive edge in the Indian snacks industry. Increasing consumer awareness towards hygiene and packaged snacks further augurs well for our core category of extruded snacks. The economy has been finally showing signs of normalcy. Pandemic anxieties have receded thereby improving consumer sentiments.

We are well-placed to further entrench our position as a strong national player with superior brand equity. We are making commensurate investments towards ramping up our retail and distribution presence with strategic price points in the core regions of North and West India. We are also deepening our presence in rural markets and smaller towns. It gives me immense delight to state that we have commenced production at the Kolkata facility this year and will soon optimise our distribution in the region.

We are also excited about our plan to increase manufacturing footprint by setting up a new facility in Jammu. We have already placed the orders for machineries. This will enable us to better serve the markets in North India.

We continue to leverage our deep understanding of value-conscious Indian buyers and offer high-quality, delightful products at affordable price points customised to their tastes and flavours. We are experimenting with new strategies to increase our proportion of in-home consumption and have launched family packs and newer varieties of namkeen snacks.

Overall, I am quite optimistic about continuing the strong sales momentum in the backdrop of improving economic activity and slowing inflation which will boost consumer demand. With multiple tailwinds supporting our growth, the stage is set for higher revenue and enhanced profitability.

CONCLUSION

Our performance in a tough year would have not been possible without the efforts and dedication of our employees. I would like to express my sincere thanks to our teams for their considerable efforts. I would also like to extend my gratitude to our customers, consumers, distributors, investors and other stakeholders for their persistent support and engagement.

Warm Regards,

Arvind Mehta

Chairman and Executive Director

MD and CEO's Message

We are adopting prudent practices such as cost reduction, enhancing operational processes, bolstering our cash position, and prioritising revenue growth. These efforts will gradually enhance our operating margins and enable us to withstand the prevailing circumstances.

Dear Shareholders,

I hope you and your family are doing well. I am happy to report that your Company has delivered an outstanding performance in FY 2022-23 with highest-ever revenue.

In recent years, the global economy has seen unprecedented challenges including the COVID-19 pandemic, geopolitical tensions, high inflation, and macroeconomic volatility. The conflict between Russia and Ukraine has further exacerbated these challenges leading to a steep rise in commodity prices and supply chain disruptions. In the face of these uncertainties, India emerged as a shining star, solidifying its position among the world's fastest-growing economies.

As we emerge from the difficult times, I can say with complete conviction that the organisation in which you have bestowed your trust stands strengthened by the challenges. It is much more agile than ever before. While the past two years were highly uncertain and volatile, it is during this time that we took certain major strides to strategically position ourselves for future growth.

The post-pandemic recovery in private consumption remained sluggish as it struggled to overcome the slowdown caused by the pandemic. This can be attributed to persistent inflationary pressures which affected disposable incomes and consumer spending. Consequently, the fast-moving consumer goods (FMCG) industry experienced a decline in consumer demand, particularly in rural areas, resulting in a decrease in sales volume in the latter part of the year.

During the year, we witnessed a sharp increase in the prices of key raw materials such as potatoes, corn, wheat and packaging laminates. However, we have implemented measures to minimise the impact on our operating margins and profitability. The initiative of direct distribution has resulted in a reduction of the distribution layers, which has led to a structural improvement in channel costs. We are adopting prudent practices such as cost reduction, enhancing operational processes, bolstering our cash position, and prioritising revenue growth. These efforts will gradually enhance our operating margins and enable us to withstand the prevailing circumstances.

A YEAR OF OUTSTANDING PERFORMANCE

We delivered a strong and impressive performance in FY 2022-23 and posted our highest-ever annual revenue of ₹ 1,65,293 lakhs, up by 19% YoY. One of the key contributors to this growth was the expansion in average distribution reach by nearly 1.6 lakh outlets and substantial increase in volumes led by direct distribution and range selling initiatives.

The silver lining in our performance was the improvement in EBITDA margin (adjusted for PLI reversal). Adjusted EBITDA in Q4 of FY 2022-23 stood at ₹ 301.9 million, which was higher by 511% YoY. The adjusted EBITDA margin has improved by 620 basis points (bps) from 1.4% in Q4 FY 2021-22 to 7.6% in Q4 FY 2022-23, which is the highest in the last 12 quarters. This improvement has been driven by our compressed distribution structure, cost optimisation measures, and cooling of input prices, setting the tone for an improved margin performance in the coming year.

Operating EBITDA for the full year stood at ₹ 6,243 lakhs translating to a margin of 3.8%. Profit after Tax (PAT) for the year stood at ₹ 2,029 lakhs as compared to ₹ 1,691 lakhs in FY 2021-22, registering a YoY growth of 20%. We have shown tremendous resilience by maintaining and delivering a strong margin profile despite the inflationary trends in the prices of key raw materials.

We have also reduced our borrowings from ₹ 30 crore as of 31 March, 2022 to ₹ 3 crore as of 31 March, 2023. This has been achieved despite the capex undertaken across our facilities during the year. We have also managed to drive further efficiencies in average working capital from 23 days in FY 2021-22 to 13 days in

FY 2022-23, reflecting significant improvement in working capital position. We continue to enjoy net debt free status and have a strong balance sheet to support our growth plans over the coming years.

RECALIBRATING BUSINESS STRATEGIES

Delivering the right taste and maintaining high quality are the two fundamental factors driving our success over the years. These core principles have resulted in a steady increase in sales and have fortified our distribution network, which efficiently caters to a wide range of retail outlets. By consistently offering superior taste and quality in our products, we have gained the trust and loyalty of our consumers. Our extensive distribution muscle enables us to reach a vast network of retail locations and ensures widespread availability of our offerings.

We have recalibrated our product portfolio to include a range of larger pack sizes across a variety of product categories that cater to in-home consumption. This adjustment allows us to align our offerings to resonate with evolving consumer preferences.

We have a dual strategy in place to expand our presence in established and focussed markets. We also intend to penetrate emerging, high-potential markets and reach a vast consumer base and effectively communicate the unique benefits and value we offer. Through these efforts, we aim to enhance our distribution network, strengthen market position, and foster long-term growth.

FOCUSSING ON COST OPTIMISATION

Our streamlined distribution structure has enabled us to reduce one layer of trade margin, enhance operational efficiencies and allocate resources effectively. By removing certain overhead expenses associated with super-stockists, we have achieved permanent cost reductions.

Other cost rationalisation programmes include resizing of packaging, increasing price realisation, rationalising product grammage, modifying recipes while maintaining taste and quality, adoption of modern technologies, etc. These measures helped us effectively minimise the impact of inflation, allowing us to enhance margins and profitability.

EXPANDING OUR PRESENCE

To extend our market reach, we are actively appointing new distributors and increasing retail touchpoints thereby increasing our direct presence and fortifying our position as a pan-India player. We are in the process of setting up a manufacturing unit in Jammu to strengthen our reach in northern region. We have already placed orders for machinery and equipments.

Another important strategy of the Company is to increase range selling in established markets to meet varied consumer needs and drive sales growth. Towards this, we are undertaking efforts across the distribution network to promote the entire range of products at each touchpoint by capitalising on the success of popular products. Our aim is to capture a higher proportion of retailer shelf space thereby translating into higher wallet share for each touchpoint.

Plans on the anvil also include increasing presence in the Southern markets, where our current penetration is relatively lower. Additionally, we are intensifying efforts within our existing markets by appointing distributors at the Taluka level. This approach allows us to expand our distribution network to more localised areas, ensuring broader accessibility of our products, and catering to a diverse consumer base.

STRENGTHENING PORTFOLIO EXPANSION

For years, the Namkeen segment has dominated the category of salty snacks by retaining the largest share i.e. 44% of the packaged salty snacks market. Currently, the Namkeen segment accounts for 16% of our revenue and presents a huge opportunity to expand our portfolio as more consumers prefer buying branded, high-quality snacks in the aftermath of the pandemic. Recognising the potential and demand for Namkeen products, we are steadily enhancing our offerings in this segment to further strengthen our position in the market.

The consumer response to our revolutionary pellet products has been highly positive surpassing expectations during the fiscal year 2022-23. The contribution of pellets to our overall revenue has increased dramatically from a mere ~3% in FY 2017-18 to an impressive ~16% in FY 2022-23. Our presence in the pellets market is substantial, and we are committed to further expand pellet-based snacks through our esteemed Yellow Diamond brand.

INTEGRATING ESG

Recognising the importance of sustainable operations, we strive to align our Environmental, Social, and Governance (ESG) principles with our strategic goals. We maintain a continuous focus on enhancing our ESG disclosures and effectively showcasing our commitment to ESG principles to all stakeholders. We diligently identify and address ESG-related risks, ensuring that our ESG policy framework guides all our activities in this regard. By doing so, we aim to create long-term value for our stakeholders while contributing to a more sustainable and responsible business ecosystem.

CLOSING REMARKS

We maintain an optimistic outlook for both revenue growth and profitability on the back of continued emphasis on the expansion of distribution and range selling activities. Our objective is to maintain a leading position in the industry by delivering unique and distinctive offerings to our consumers.

Thank you all for being part of our journey and showing continued faith in us. We remain committed to generating substantial value for our stakeholders.

Regards,

Amit Kumat

Managing Director and Chief Executive Officer

Financial Highlights

₹1,65,293 Lakhs
Highest-ever annual revenue in the history of Prataap Snacks

18%
9-year revenue CAGR

₹6,243 Lakhs
Operating EBITDA

₹2,029 Lakhs
PAT

₹67,595 Lakhs
Net Worth

₹5,463 Lakhs
Free Cash and Bank Balance (Net of Borrowing)

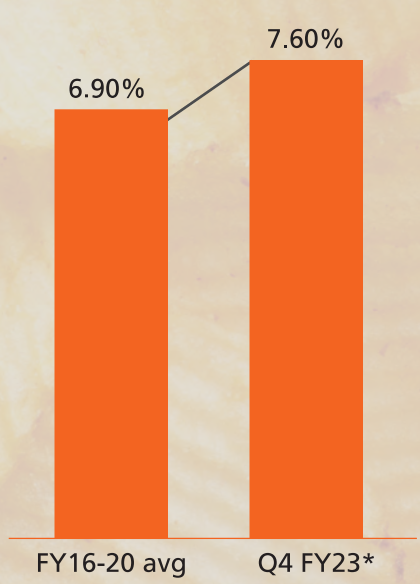
RM/PM Price Increase from FY16-20(avg) to Q4 FY23

Palm Oil
↑ **+60%**

Laminate
↑ **+3%**

Corn
↑ **+38%**

EBITDA MARGIN(%)



There was sharp inflation in RM prices during the period compared to the average during FY16-FY20

In addition to RM prices inflation there has been a significant increase in costs of Power and Fuel as well as overheads

Despite these pressures, the Company has demonstrated ability to improve EBITDA margin using the following levers:

- Compressed distribution structure and channel optimization
- Process reengineering and cost optimization measures
- Driven better sales realization through a mix of reduction in trade margin and rationalization of grammages

These initiatives have enabled the Company to substantially recoup the impact of RM price inflation by structurally elevating the margin performance

*Adjusted EBITDA represents EBITDA excluding reversal of Production Linked Incentive of ₹ 112.9 million

Embedding ESG Practices

We are committed to building a responsible organisation while integrating the Environmental, Social, and Governance (ESG) approach into our business. Our organisation's ESG policy offers a guiding framework for implementing ESG activities across our business to create value for all stakeholders.

KEY INITIATIVES

ENVIRONMENTAL

We are actively working towards reducing our carbon footprint and conserving natural resources by ensuring optimal energy and water utilisation. As a snacks manufacturing Company, we recognise the critical role we play in reducing greenhouse gas emissions and addressing climate change. We are committed to implementing projects that aim to reduce our carbon footprint and contribute to a more sustainable future.

Waste Management

- We work in compliance with the Uniform Framework for Extended Producers Responsibility (issued by the Ministry of Environment, Forest and Climate Change).
- We have appointed CPCB authorised waste management agencies to collect plastic waste in collaboration with the urban local bodies and waste collector communities to strengthen the collection, segregation, disposal and recycling of plastic waste. This process involves activities like collection, segregation of waste, setting up dry waste collection centre, mechanism to dispose waste and recycling and creation of awareness on Plastic Waste Management.
- Since we have presence in multiple states, we collaborate with accredited NGOs in numerous states and conduct mass collection of empty multi-layer used plastic packets of products. These packets are then processed and effectively disposed of without polluting the environment.

Energy Conservation

We aim to reduce our greenhouse gas emissions and contribute to a more sustainable future for our business and the community.

- DG Acoustic Enclosure are installed in our plants for controlling greenhouse gas.
- Bio-gas (Methane: 0-60%, CO2: 30-45%, H2S: 0.5%) 37 M3/hr. has been generated from new installed ETP plant which we are utilising in manufacturing process.
- We are using the solar power at our Indore plant.
- We have installed solar power plant at one of our Indore plants.
- We use biomass briquettes as an alternative to conventional fuels like diesel and CNG in our Indore plant.

To utilise 25% of total power consumption from Solar Energy and other non-conventional energy by March 2024

Water Conservation

Water being a scarce and invaluable natural resource, we are strongly committed to its conservation through the 3R (Reduce, Reuse, Recycle) strategy. We are committed to achieving zero liquid discharge (ZLD) across all our plants as part of our environmental sustainability programme. This means that we aim to eliminate the discharge of any liquid waste into the environment and instead, recycle and reuse all wastewater generated by our operations.

- We have implemented a comprehensive wastewater treatment system (ETP) in our plants that utilise advanced technologies to treat the wastewater from our production processes.
- We are working on installing water meters across all our plants for proper target setting.
- We aim to reduce consumption of fresh water in our production process by increasing usage of recycled water.
- We also aim to minimise our freshwater requirements through our rainwater harvesting initiative.

To reduce freshwater consumption by 20% at Indore plant by March 2024

SOCIAL

Product Safety

- External audits are conducted regularly on product safety.
- Regular food safety training is conducted for employees.
- We carefully review all feedback and complaints received from our distributors, customers and consumers.
- Our products have been developed and manufactured in accordance with the standards set by the Food Safety and Standards Authority of India (FSSAI). By complying with FSSAI standards, we strive to provide our consumers with products that are safe, hygienic and of the highest quality.

Health and Safety of Employees

- We undertake regular safety training and awareness programmes for our employees and offer healthcare benefits and medical cover.
- We have processes in place for receiving and handling grievances. We strive to make sure that it is fair, transparent and accessible to all employees, regardless of their position or seniority within the organisation. Our Code of Conduct, POSH policy and Vigil Mechanism / Whistle Blower policy details all the mechanisms put in place to deal with issues of unethical, biased, sexual abuse or harassment, mental or physical coercion, and slavery of employees.

Supply Chain Management

- In addition to working directly with suppliers and vendors, we urge them to embrace sustainable practices such as reducing waste and their carbon footprint.
- We aim to procure locally-sourced products that are environment-friendly and energy efficient to create customer delight.

Community

- We are committed to working towards the betterment of the communities in which we operate and ensuring the overall welfare and well-being of people.
- We implement various CSR programmes that empower community members. These initiatives focus on areas such as education, healthcare, skill development and vocational training to lead a fulfilling and productive lives.

GOVERNANCE

The governance of our Company is based on the three pillars, i.e., Trusteeship, Transparency and Accountability. The Company is continuing its efforts towards raising its standard in Corporate Governance and reviewing its systems and procedures constantly in order to keep pace with the changing business environment.

The Company's governance framework based on the aforesaid three pillars are:

a) Appropriate composition and size of the Board, with each member bringing expertise in their respective domains;

b) Availability of information to the members of the Board and its Committees to enable them to discharge their fiduciary duties;

c) Ethical conduct of Board, Senior Management and Employees; and

d) Timely and accurate disclosure of material information to the stakeholders.

Our Code of Conduct promotes transparency and ethics to maintain our stakeholders' trust and confidence.

Creating a Meaningful Impact in the Society

Corporate Social Responsibility (CSR) forms an integral part of Prataap's overall philosophy of giving back to the society. At Prataap Snacks, we work closely with the underprivileged and vulnerable communities of our society to make a meaningful difference in their lives. Through our well-defined CSR policy, we intend to raise the socioeconomic status of underserved communities and thereby improve their livelihood.

We have formulated our CSR Policy with the vision to actively contribute to spreading education by promoting education, enhancing vocational skills especially among children and livelihood enhancement projects, protecting environment and conservation of natural resources, health care including preventive health care, rural development, animal welfare etc.

In FY 2022-23, we conducted numerous programmes towards environmental sustainability, education, including special education and employment enhancing vocational skills, health care including preventive health care, animal welfare, livelihood enhancement, etc.

KEY CSR ACTIVITIES / PROJECTS

Plantation drive and Employment enhancing vocational skills

In collaboration with Indian Pollution Control Association and Sarthak Welfare, we did plantation drive and conducted capacity building and skill development training for waste collectors and women rag pickers in Delhi and Madhya Pradesh.

Healthcare

Through Sewadham Ashram, a project of Ujjaini Varishtha Nagrik Sangathan, we provided medicines and beds for geriatric, disabled and mentally challenged people in the Ashram in Ujjain, Madhya Pradesh. We distributed high-protein diet to pregnant women and anaemic children in partnership with Sahayata in Indore, Madhya Pradesh.

Animal Welfare

We provided food for wounded, sick and stray animals residing in the animal shelter set up by the Animal Welfare in Indore, Madhya Pradesh.

Education

We contributed in developing infrastructure and purchasing equipment & conducting training activities for differently abled children in association with Arunabh, a project of Sri Devi Matoshri Samajik Seva Sansthan Samiti in Indore, Madhya Pradesh.

In partnership with Catalysts for Social Action, we conducted digital literacy programmes, wellness programmes and self-awareness workshops for children living in childcare institutions in Indore, Madhya Pradesh.

₹67.80 Lakhs

Total CSR spent in FY 2022-23

Board of Directors

MR. ARVIND MEHTA
Chairman and Executive Director

Over 34 years of experience in real estate business along with over 20 years in the snacks food industry and financing business.

MR. AMIT KUMAT
Managing Director and Chief Executive Officer

Over 27 years of experience in the snacks food industry.

MR. APOORVA KUMAT
Executive Director (Operations)

Over 27 years of experience in the snacks food industry.

MR. BHARAT SINGH
Non-Executive Nominee Director
(w.e.f. 03.11.2022)
(Alternate Director for Mr. G.V. Ravishankar upto 02.11.2022)

Operating Partner (Sequoia Capital)
Over 23 years of experience in finance and business management. Previously worked as CFO with redBus.

MR. G.V. RAVISHANKAR
Non-Executive Nominee Director
(upto 02.11.2022)

MD (Sequoia Capital)
Over 22 years of experience in management consultancy & PE investments. Previously worked with McKinsey & Co. and Wipro Technologies.

MR. V.T. BHARADWAJ
Independent Director

General Partner (A91 Partners)
Over 22 years of experience in management consultancy & PE investments. Previously worked with Sequoia Capital and McKinsey & Co.

MRS. ANISHA MOTWANI
Independent Director

Partner (Storm the Norm Ventures)
Earlier worked with General Motors India and Max Life Insurance Company.

MR. VINEET KUMAR KAPILA
Independent Director

Ex COO (RPC North of United Spirits) and Ex MD (Spencer's Retail).

MR. CHETAN KUMAR MATHUR
Independent Director

Ex CFO (Frito-Lay India). Over 31 years of experience in FMCG industry. Worked with PepsiCo for 23 years.

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Arvind Mehta
Chairman and Executive Director
Mr. Amit Kumat
Managing Director and Chief Executive Officer
Mr. Apoorva Kumat
Executive Director (Operations)

Non-Executive Nominee Director
Mr. Bharat Singh
(w.e.f. 03.11.2022)
(Alternate Director for Mr. G.V. Ravishankar upto 02.11.2022)
Mr. G.V. Ravishankar
(upto 02.11.2022)

Independent Directors
Mrs. Anisha Motwani
Mr. Vineet Kumar Kapila
Mr. Chetan Kumar Mathur
Mr. V.T. Bharadwaj

Chief Financial Officer
Mr. Sumit Sharma

Company Secretary and Compliance Officer
Mr. Om Prakash Pandey

AUDITORS

Statutory Auditor
BSR & Co. LLP
Chartered Accountants

Secretarial Auditor
Ritesh Gupta & Co.
Company Secretaries

Internal Auditor
Grant Thornton Bharat LLP

COMMITTEES

Audit Committee
Mr. Chetan Kumar Mathur
Chairman
Mr. Vineet Kumar Kapila
Mrs. Anisha Motwani
Mr. Bharat Singh
(w.e.f. 03.11.2022)
Mr. G.V. Ravishankar
(upto 02.11.2022)

Nomination and Remuneration Committee
Mr. V.T. Bharadwaj
Chairman
Mr. Vineet Kumar Kapila
Mr. Chetan Kumar Mathur
Mr. Arvind Mehta

Corporate Social Responsibility Committee
Mrs. Anisha Motwani
Chairperson
Mr. V.T. Bharadwaj
Mr. Arvind Mehta
Mr. Amit Kumat

Stakeholders Relationship Committee
Mr. V.T. Bharadwaj
Chairman
Mr. Vineet Kumar Kapila
Mr. Arvind Mehta
Mr. Amit Kumat

Risk Management Committee
Mr. Chetan Kumar Mathur
Chairman
Mrs. Anisha Motwani
Mr. Bharat Singh
(w.e.f. 03.11.2022)
Mr. Amit Kumat
Mr. G.V. Ravishankar
(upto 02.11.2022)

BANKERS
ICICI Bank
Kotak Mahindra Bank
Citibank N.A.

REGISTERED OFFICE
Khasra No. 378/2,
Nemawar Road,
Near Makrand House,
Palda, Indore - 452 020,
Madhya Pradesh, India
Tel. +91 731 2439999
E-mail: complianceofficer@yellowdiamond.in
Website: www.yellowdiamond.in
CIN: L15311MP2009PLC021746

SHARE TRANSFER AGENT
KFin Technologies Limited
Selenium Building,
Tower - B, Plot No. 31 & 32,
Financial District,
Nanakramguda,
Serilingampally,
Hyderabad - 500032,
Telangana, India
Toll Free No.: 18003094001
WhatsApp No.: (91) 9100094099
Tel.: (91 40) 67162222, 79611000
E-mail: einward.ris@kfintech.com
Website: https://www.kfintech.com
Corporate Registry (RIS)
Website: https://ris.kfintech.com
Investor Support Centre: https://ris.kfintech.com/clientservices/isc

PLANT LOCATIONS

Owned Plants
Khasra No. 378/2, Nemawar Road,
Near Makrand House, Palda,
Indore - 452020, Madhya Pradesh

Survey No. 65/2, 66/1, 67/2,
Gram Piplyalohar, Tehsil Mhow,
Indore - 453441, Madhya Pradesh

North Guwahati, IOC Road,
Main Road, Gauripur, Near Gauripur
Thana, Amingaon, Dist. Kamrup,
Guwahati - 781031, Assam

Plot No. 40-41, Brahmputra
Industrial Park, Amingaon,
Guwahati - 781031, Assam

No. 260, Bommasandra Jigani
Link Road, Jigani Hobli, Anekal
Taluk, Bengaluru (Bangalore
Urban) - 560105, Karnataka

Plot No. 5514-5515, 152-153,
Mouza, Jangalpur Police Station,
Domjur, District - Howrah,
West Bengal - 711302

New R.S. No. 128, R.S. No. 123/P3,
Taluka - Kalawad, Nikava,
Jamnagar - 361162, Gujarat

Third-Party Plants
No. 44/2, Kothanur Dinne,
SOS College, Bannerghatta Road,
Near B.K. Circle Bus Stop,
J.P. Nagar, 8th Phase,
Bengaluru - 560076, Karnataka

Chakundi Dankuni,
Hooghly - 712310, West Bengal

11, Kanduah Food Park, Sankrail,
Howrah – 711302, West Bengal

Plot No. 1, Jagan Village, Food Park APC,
Jagan, Hisar - 125052, Haryana

Plot No. 36,39,40,41, Agro Park,
Kunjpura, Karnal - 132023, Haryana

Plot No. 397, 406, 407,
Pitambarpur Bhika, Fatwah,
Patna - 803201, Bihar

Arazi No. 385/A, Rajaswa Gram,
Chachendi Sachendi -1,
Kanpur - 209304, Uttar Pradesh

Survey No. 170, Medchal Malkajgiri,
Somaram Village, Medchal Mandal,
Somaram - 501401, Telangana

Management Discussion & Analysis

ECONOMIC SCENARIO

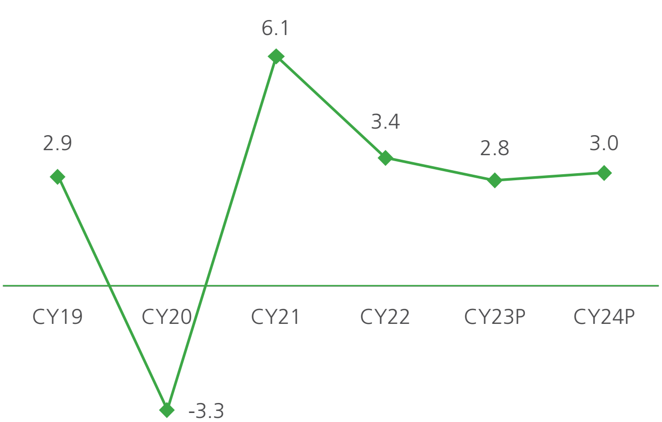
GLOBAL ECONOMY

In calendar year 2022, the global economy continued to recover from the effects of geopolitical tensions and the COVID-19 pandemic. The spike in commodity prices that followed Russia's invasion of Ukraine has subsided, but the conflict has persisted and geopolitical tensions have remained high. According to the International Monetary Fund's (IMF) April 2023 forecast, the global economy, which grew by 3.4% in CY22, is projected to grow by 2.8% in CY23 and by 3.0% in CY24. China's reopening in CY22, intervention by policymakers to strengthen global financial conditions and sustained interest-rate increases have all contributed to a gradual decline in inflation and a favourable start for emerging markets and developing economies in CY23.

Cooling off in commodity prices has meant that crude oil and palm oil prices have witnessed reductions in prices and it is anticipated that this trend will continue in CY23. The STEO (Short Term Energy Outlook) report for April 2023 predicts that the price of crude oil will decrease from USD 101 per barrel in CY22 to USD 85 per barrel in CY23.

The impact of the most recent liquidity issues following a succession of global bank crises appears to have been contained by the quick intervention of central banks. Notwithstanding the continuation of the Russia-Ukraine War, the global macro-economy is showing signs of stabilising, leading to expectations of improved growth momentum in CY24.

World Economic Outlook (%)



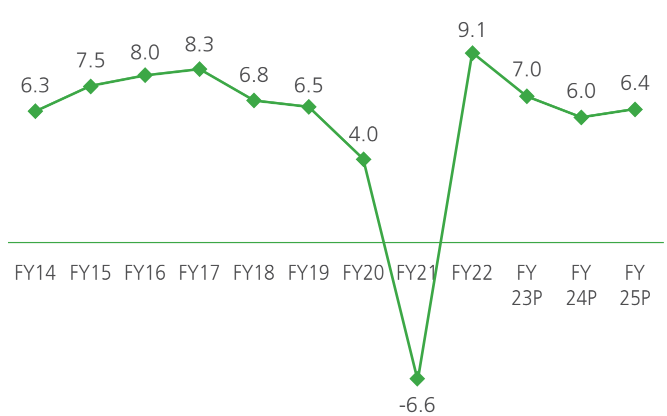
Source: IMF Report April 2023

INDIAN ECONOMY

Over the last decade, India has steadily moved away from its erstwhile position in the world's fragile five and emerged as a prominent global economy as a result of the government's consistent efforts to drive balanced growth and inclusive development. Over this period, India has been globally recognised for significant reforms including the implementation of GST (Goods & Services Tax), demonetisation, DBT (Direct Benefit Transfer) continued growth in exports, improvement in infrastructure, enhancement of manufacturing, the signing of free trade agreements, rising energy security, improved ease of doing business and the improvement in trade and fiscal deficit, India is deservingly looked upon as one of the top performing economies.

India has reclaimed its position as the fastest growing large economy in the world following the disruption due to the COVID-19 pandemic and its economic momentum has proven to be highly resilient, even amidst the global interest rate tightening cycle and the resultant volatility in foreign exchange rates. According to the NSO's Second Advance Estimates, the Indian economy has been estimated to grow by 7.0% in FY23 as against 9.1% in FY22.

Indian GDP Growth (%)



Source: NSO's Second Advanced Estimates dated 28th February, 2023

RBI SPF report as on 8th June 2023

The emphasis on capital expenditure in the Union Budget 2023-24 is expected to stimulate private investment, increase job creation and demand and enhance India's potential growth. The capital expenditure budget for FY24 was announced to be ₹ 10 lakh crore, or 3.3% of GDP. India's exports have been estimated to reach USD 770.18 billion in FY23, witnessing a 13.84% increase over FY22. The estimated value of services exports for FY23 stood at USD 322.72 billion, up from USD 254.53 billion in FY22. India's share in global merchandise trade is close to 1.8% and the government has set a target of 10% going forward. At present, India's manufacturing sector accounts for about 15-16% of the country's GDP and there is an aim to increase it to 25% in the coming years. This will be mainly driven by the Government's 'Make in India' initiative measures to boost domestic manufacturing through public procurement orders, the Phased Manufacturing Programme (PMP) as well as through the Production Linked Incentive (PLI) scheme. India's rising global profile is supported by a number of achievements, such as the unique World Class Digital Public Infrastructure of Aadhaar, Co-Win and UPI; the unprecedented scale and proactive role in frontier areas, such as the accomplishment of climate-related goals, the mission LiFE (Lifestyle for Environment) and the National Hydrogen Mission. The budget FY24 strengthens India's position to play a leadership role in the three main transformations occurring worldwide viz. the accelerated adoption of digital technology, the rebalancing of supply chains and environmental sustainability.

The provisional figures for Direct Tax collections for FY23 indicate that Net collections stood at ₹ 16.61 lakh crore, compared to ₹ 14.12 lakh crore in the preceding FY22, representing a 17.63% increase. In FY23, the GST (Goods and Services Tax) gross collection stood at ₹ 18.10 lakh crore, a 22% increase from FY22. Reviving economic activity, the government's efforts to improve tax compliance, the introduction of a simplified tax registration system and the use of technology have contributed to improved tax revenues.

According to the Economic Survey of India, the agriculture sector is projected to expand by 3.5% in FY23, compared to 3.9% in FY22; the industrial sector is projected to expand by 4.1%, compared to the 10.3% growth recorded in FY22; and the services sector is anticipated to grow by 9.1% in FY23, compared to 8.4% in FY22. The value of India's foreign exchange reserves as of 7th April, 2023, was USD 585 billion.

The PLI (Production-Linked Incentive) initiative for the food processing industry was approved in March 2021 with a budget of ₹ 10,900 crore. It will be implemented for seven years, through 2026-27. Under the PLI scheme, the food processing industry has invested ₹ 4,900 crore as of CY22, according to MoFPI (Ministry of Food Processing Industries) December 2022 report. Under the PLI programme for the food processing industry, 182 applications in various categories have been approved. This comprises 30 applications under the PLI scheme for millet-based products. In CY22, a total of 46 new initiatives have been approved under Operation Greens.

In order to control inflation, the RBI's (Reserve Bank of India) Monetary Policy Committee (MPC) suspended the rate increase cycle in April 2023 and maintained the repo rate at 6.5%. The MPC kept its "withdrawal of accommodation" position. The average headline Consumer Price Index-Combined (CPI-C) inflation in India moderated to 6.44% in FY23 from 6.95% in FY22. Taking into consideration global and domestic factors, it is anticipated that headline inflation will moderate in FY24. The RBI expects consumer inflation to decrease to 5.2% in FY24 and its SPF (Survey of Professional Forecasters) report projects India's real GDP growth to be 6.0% in FY24 and 6.4% in FY25. Despite domestic and international challenges, India's economic growth would be supported by robust financial strength. The government's increased capital expenditures, which would compensate for the private sector's capital expenditure restraints, would also substantially contribute to the country's overall growth.

Outlook

The investments made by PLI beneficiaries are likely to result in an increase in agricultural product sales and exports. The PLI scheme is anticipated to provide a boost to domestic industry and also facilitate the international promotion of Indian brands. In collaboration with the Confederation of Indian Industry (CII), CRIF High Mark, a prominent credit bureau in India, has released the second edition of its Rural Business Confidence Index. The index provides an outlook on rural business sentiment and indicates that the rural business confidence score in 2022 stood at 73.5, a 9.6-point increase over 2021. According to CRIF Highmark's September 2022 report, the value and volume of loans originated in rural and semi-urban areas accounted for between 59% and 64% of all loans originated between March 2021 and September 2022. Rural India has begun witnessing the rise of new companies and new business models to achieve a localised cycle of growth. The Ministry of Rural Development has been granted ₹ 1,59,964 crore under the budget for FY24. Further, various government schemes would also aid in improving the penetration of the retail sector and rural infrastructure as a whole.

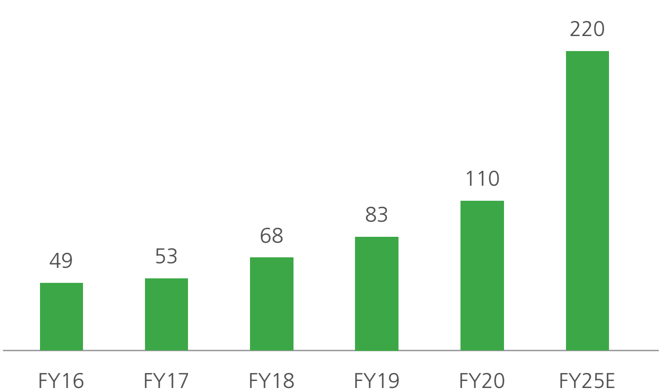
The easing of global inflationary pressure led by falling international commodity prices and strong government measures is expected to aid economic growth in India. Recent announcements to increase agricultural productivity, such as the establishment of digital services for crop planning and support for agricultural startup companies, will be crucial to sustaining agriculture's development over the medium term. An increase in export demand, a rebound in consumer spending and public capital expenditures have contributed to a recovery in the investment/ manufacturing activities of companies. Improving labour market conditions and consumer confidence will fuel private consumption expansion. Private consumption as a percentage of GDP reached 58.4% in Q2 of FY23, the highest level since Q2 of 2013-14, aided by a rebound in contact-intensive services like trade, hotels and transportation. Startups are achieving success and gaining a firm foothold in the expanding Indian markets. In the near future, the increasing use of dynamic technologies such as data analytics, artificial intelligence and the cloud will transform the Indian economy into one that is digitally oriented, making it one of the most attractive business markets in the world.

INDUSTRY OVERVIEW

THE FMCG INDUSTRY

The fast-moving consumer goods (FMCG) industry is the fourth-largest sector and a significant contributor to the Indian economy. The growth in the FMCG industry is primarily driven by an increase in disposable income, a shift in consumer lifestyles, a transition to an organised market, increasing rural consumption, e-commerce, labour migration, increased digital penetration, improved distribution of the FMCG portfolio and a rise in consumer awareness. Additionally, the trend towards sustainable products influences the purchasing behaviour of consumers. Even though the urban sector contributed the largest share, the semi-urban and rural sectors experienced substantial growth over the past decade. The FMCG sector is anticipated to experience continued growth, climbing from USD 110 billion in 2020 to USD 220 billion by 2025.

Market size of FMCG in India (in USD billion)



Source: Statista April 2023

In 2022, urban India contributed 65% of the total annual FMCG sales, while rural India contributed more than 35%. The country has one of the fastest-growing e-commerce markets in the world. It was estimated that the online FMCG market size in the e-commerce sector would exceed USD 10 billion and that the FMCG industry would expand by at least 20% by 2023. Since March 2020, in response to the COVID-19 pandemic, online purchasing has become a more viable alternative to offline FMCG purchases.

Over the past year, inflation has had significant impact on consumer expenditure. The FMCG industry in India grew by 8.4% in CY 2022 as against 17.5% growth in CY 2021. Slower growth in the FMCG industry in India was caused partly by the higher base. Further, price growth was 10.0% in 2022, compared to 10.5% in CY 2021. Moreover, the FMCG industry's overall volume growth declined by 1.5% in CY 2022 as compared to the 6.3% growth registered in CY 2021, a year in which it grew off a lower base.

According to Nielsen IQ's FMCG Snapshot for the fourth quarter of 2022, price growth in both urban and rural markets has moderated. The traditional trade volume has decreased by 4.8% in both urban and rural markets, resulting in an overall decline in 2021. In 2022, however, urban markets maintained their upward momentum with a volume increase of 1.6%, while rural markets continued their downward trajectory with a decline of 2.8%. Food products were primarily responsible for the development of the FMCG industry over the previous year, while non-food products saw a decline in growth. Rural markets are gradually recovering due to the easing of inflation and rising agricultural income.

Present Scenario in Indian FMCG Sector

In FY24, FMCG companies are anticipated to base their business decisions on inflationary pressures, technological advancements and consumers' value-based purchasing criteria. Following are the recent trends that are driving growth in the FMCG industry.

- Input Cost Scenario: As the Russia-Ukraine conflict escalated through 2022, prices for some essential raw materials, witnessed a sharp spike. There has been a K curve effect with some input prices reverting to lower levels during FY23 while others have remained at elevated levels. Consequently, the FMCG industry has witnessed increased margins for certain products and the trend is likely to continue in the near to medium term. However, the persistently rising costs of wheat, flour and rice have been a source of concern for the FMCG industry, specifically for the food and beverage segment.

- Revival of Rural Demand

  The rural demand for FMCG products is expected to increase in 2023 as the rural economy exhibits more evidence of normalcy due to an improving labour market and rising terms of trade for rural production. Multiple government initiatives, such as the minimum support price (MSP) for all rabi crops, increased government spending on rural infrastructure projects and rising credit to agriculture and other non-agricultural economic activities, will increase employment and income levels in rural areas, thereby driving demand for FMCG products.

- **Changing Customer Preferences**

  Consumers choose food products based on their utilisation efficacy, in addition to perceived value and shelf life. In an environment of rising prices, consumers also seek innovation in various FMCG products. This requires manufacturers to consider how their business processes, products and marketing collectively represent their brand. Alignment with the criteria of the intended consumer can stimulate and predict spending patterns.

- **Digitalisation**

  Distribution and supply were remarkably altered throughout numerous phases of the COVID-19 pandemic. In a nation where small Kirana stores still account for 80% of sales, it is essential to maintain consistent orders from these channels. Using digital capabilities, FMCG companies are integrating suppliers, inventory management and distributor management into a single ecosystem. Increasingly, FMCG companies are employing AI (Artificial Intelligence), Big Data and Predictive Analysis to accurately predict consumer behaviour, enabling them to gain a deeper understanding of what consumers are interested in. Moreover, it has become easier for rural inhabitants to purchase on e-commerce websites as internet and smartphone penetration increase.

- **D2C - Direct Sales to Consumers**

  Brands with distinct websites for customer sales reported a significant increase in client demand in the past few years. Direct-to-Consumer is becoming a preferred business strategy for fast-moving consumer goods (FMCG) companies and its significance will grow in the coming years.

- **Merger and Acquisition Trends**

  As larger firms seek to consolidate their footprints, leverage technology to increase efficiency and expand outside of metropolitan areas, a wave of consolidation is expected to encompass the rapidly expanding FMCG retail industry across the country. In order to achieve their strategic objectives and shareholder value, FMCG companies will continue to evaluate and refine their portfolios by focussing on transforming their businesses through mergers and acquisitions.

- **Government Initiatives**

  The government's increased capital expenditures would stimulate consumption, create rural and urban employment opportunities and enhance local production. Between April 2000 and June 2022, the FMCG sector attracted FDI worth USD 20.84 billion. The Deendayal Antyodaya Yojana National Rural Livelihood Mission has achieved remarkable success by organising 81 million Self Help Groups comprised of rural women. Strong government support would enable these organisations to reach the next level of economic empowerment by establishing large, professionally managed producer enterprises or collectives with several thousand members each. Various government reforms, such as the start-up drive, GST, the initiation of inland waterways, the PLI scheme, etc., would boost employment, the supply chain and the visibility of FMCG brands in organised retail markets, bolstering consumer spending and encouraging the introduction of new products.

- **Focus on Sustainability**

  Manufacturers and consumers are now placing the highest priority on sustainability. The FMCG industry, which accounts for more than one-third of all greenhouse gas emissions, is rapidly implementing sustainable practices and educating consumers about the shift. Among the most notable sustainability movements and practices presently observed in the FMCG industry are the procurement of eco-friendly ingredients and materials, sustainable packaging, efficient energy use and the implementation of eco-friendly labels.

INDIAN PACKAGED FOODS INDUSTRY OVERVIEW

The Indian packaged food industry ranks sixth globally in terms of production, consumption, exports and anticipated growth. There is an increasing demand for specialty and high-value processed or packaged foods, in addition to ready-to-eat and ready-to-cook foods. The Indian Packaged Food Market is anticipated to reach USD 3.4 billion by 2027, expanding at a CAGR of 4.6% between 2022 and 2027, according to a research report by Industryarc.com. Various packaged foods, including savoury snacks, baked products, breakfast cereals, processed meat, frozen sweet corn and ready-to-eat meals, are readily available in retail stores.

The Indian packaged food market is segmented into offline channels such supermarkets, hypermarkets, convenience stores, brick-and-mortar businesses and e-commerce. Due to their well-established infrastructure, convenient shopping, profitable sale deals and one-stop solution, supermarkets are attracting billions of people worldwide. The majority of Indian purchases are made offline because more than 60% of the population lives in rural areas with poor to moderate e-commerce services. Packaging helps to protect the important nutrients by ensuring that the food's integrity is maintained throughout the process.

Key Drivers of Packaged Food Industry in India

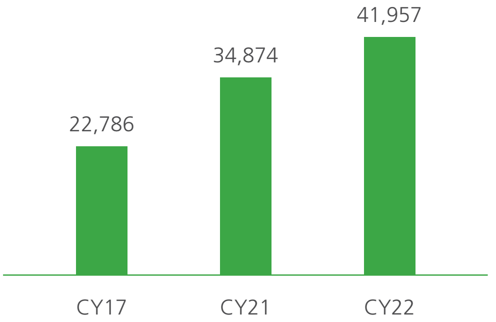
- Continuous urban population growth and increased employment rates have caused consumers to live a hectic lifestyle. Due to the lack of time available for culinary and meal preparation, processed foods such as ready-to-eat products and snacks have gained popularity in urban areas.
- India has one of the world's largest working populations. With rising discretionary incomes, this demographic can be considered the largest consumer of processed foods. This population is further anticipated to increase steadily over the next five years.
- Increasing penetration levels of organised food retail outlets provide consumers with a variety of products at attractive discounts.
- In both urban and rural areas, the proportion of women who are employed has been steadily rising. As a consequence of their hectic lifestyle, they have less time for domestic tasks such as cooking. This is resulting in an increase in the demand for industrialised and ready-to-eat foods. As the share of the unorganised market in the FMCG sector declines, it is anticipated that the growth of the organised sector will increase, assisted by a rise in brand recognition and the expansion of modern retail.
- The government-sponsored PLI Scheme is also propelling the packaged food industry to new heights of expansion.
- Increasing e-commerce websites have contributed to the accelerated adoption of packaged foods by making them readily accessible online. It is anticipated that online portals will play a pivotal role for businesses seeking to penetrate the hinterlands.

SNACKS FOOD MARKET

Snacks consist of a vast array of foods that are consumed in small quantities as an appetiser between meals. These include, namkeen, potato chips, extruded snacks, popcorn, nut mixes, granola bars, biscuits, cakes and dried fruits, among others. They are widely available in sweet, salted, sour and spicy flavours and include maise, potatoes, cereals, seeds, legumes, pulses and flour among other ingredients. Snacks are packaged in airtight containers or sealed packets to prevent contamination from moisture, grime, pollen and germs. The Indian Savoury snacks organised market size stood at ₹ 41,957 crore in 2022 as against ₹ 34,874 crore recorded in the previous year, registering an annual growth rate of 20.3%.

Earlier, most of the traditional snacks were unorganised, but many popular items have gradually found a place in the organised packaged snacks industry. People in specific regions previously consumed traditional savoury snacks, but urbanisation

Savoury Snacks Market (₹ in Crore)

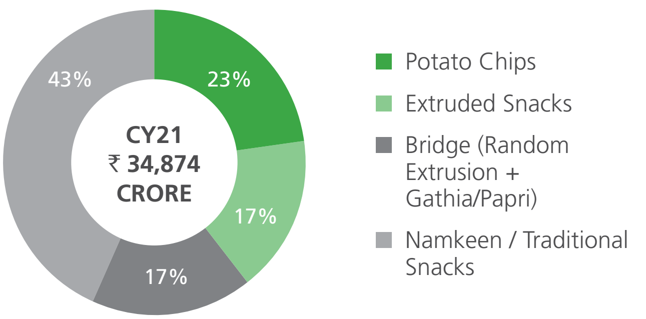


Source: Nielsen

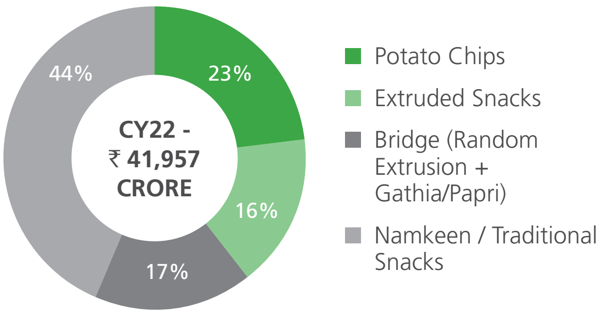
and migration of the working population to various areas have increased the demand for regional snacks pan-India. The Indian organised market for savoury snacks is valued at ₹ 41,957 crore for CY22.

As the share of the unorganised market in the FMCG sector declines, the growth of the organised sector is anticipated to increase, aided by a rise in brand awareness and the growing popularity of modern retail markets. The organised market share is also increasing for reasons including innovative products being offered, maintenance of hygiene and products with extra shelf life. It has resulted in significant domestic market expansion for a number of large regional and national players. The large brands with a national presence would benefit from their extensive distribution network and could use it to distribute a broader selection of products. This expansion of significant players would also result in the expansion of the organised sector in the Indian snacks market. Moreover, the rising popularity of convenient food products, the increasing implementation of quality standards by the Food Safety and Standards Authority of India (FSSAI) and the increasing number of e-commerce brands and distribution channels represent a few of the main market drivers or organised snacks market.

Organised Savoury Snacks Food Market – Product-wise (in ₹ Crore)



Source: Nielsen



Source: Nielsen

The traditional snacks market, valued at approximately ₹ 18,191 crore, accounts for approximately 43% of the total savoury snacks market. The market for traditional snacks includes namkeens, bhujia and ethnic snacks such as dry samosa, kachori and chakli, among others. In 2022, the Western snacks market stood at ₹ 23,766 crore and consisted of potato wafers, extruders and a new variety of snacks called "bridges" that have a local flavour but a western appearance. Western snacks continue to hold a 57% market share in the Indian savoury snacks segment in the organised market. The rural market for savoury snacks held approximately 40% of the industry's total market share, while the urban market held approximately 60%. Strong growth in the snacks market has resulted in increased competition within the snacks industry, where the players are now focussing more on innovative product development, expanding the distribution network and price promotions in order to remain competitive.

SWEET SNACKS MARKET

Customers today enjoy sweet snacks between meals or even as replacements. Growing urbanisation, more single-family households, rising middle-class purchasing power, busier lifestyles and the consumption patterns of millennials all contribute to the growth of the sweet snacks industry. According to Research and Markets report, Indian organised biscuits market is expected to surpass ₹ 400 million by 2023 and it is anticipated to grow with a CAGR of 5.53% from 2022 to 2028.

Sweets are a very traditional and increasingly common cultural element in Indian households. In the sweet snacks industry, traditional milk-based sweets have been replaced by a variety of cakes, sweet chocolate rolls and confectionery products prepared by organised bakeries and promoted by modern confectioners. The combined sales of confectionery, cakes, ice cream, sweet biscuits and pastries comprise a highly versatile, higher-margin category within packaged food. In India, the market potential for sweet snacks is immense, as consumer demand for packaged products is expanding due to the impact of Western culture and the convenience of packaged goods. Other factors, such as increasing investments in marketing strategies such as social media promotion and digital display and banner advertising, expansion of the e-commerce sector and development in the logistics sector, are driving the growth of the Indian sweet snacks market.

COMPANY OVERVIEW

COMPANY BACKGROUND

Prataap Snacks Limited (hereinafter referred to as PSL / the Company / Prataap) is a leading manufacturer of packaged snacks food in India. It offers numerous varieties of Potato Chips, Extruded Snacks, Pellets and Namkeen (traditional Indian snacks) under the well-known and vibrant 'Yellow Diamond' and 'Avadh' brands. Over the years, 'Yellow Diamond' has become a well-known and renowned brand in India's highly competitive snacks market. A few years ago, the Company has also introduced a line of sweet snacks under the 'Rich Feast' brand. PSL has been committed to offering consumers differentiated value through a variety of pack sizes at reasonable prices. Its products are sold in 27 Indian states and 4 union territories and it is one of the most rapidly expanding packaged snacks food companies in India. Avadh is one of the prominent brands in Gujarat and the fourth-largest savoury snacks brand, offering an extensive selection of namkeen and fryums.

PSL manages 15 manufacturing facilities, including 7 owned facilities (Indore 1&2, Assam 1&2, Bengaluru, Rajkot and Kolkata) and 8 contract manufacturing facilities (Kolkata (2), Bengaluru, Hyderabad, Patna, Kanpur, Karnal and Hisar). Headquartered in Indore, India, PSL's distribution network consists of more than 1,500 major distributors and over 3,700 sub-distributors across the nation. PSL has a substantial presence in metropolitan areas, urban clusters and rural areas, including Tier 2 and Tier 3 cities and villages. PSL products are being sold by independent grocers and small retail establishments in its major marketplaces and the Company is also expanding its presence in supermarkets, hypermarkets and contemporary trade outlets.

PSL is one of India's most prominent players in the packaged snack food industry and the category leader for Rings. In addition, the Company continues to expand its presence by increasing direct access and optimising cost and capital efficiencies. The Company has a pan-India presence, with products that appeal to metropolitan tastes as well as the tastes and preferences of other cultures and regions. The Company is aware of consumer preferences and inclinations, as well as their requirements. PSL entered the market for sweet snacks in FY18 under the 'Rich Feast' brand. In FY19, the Company acquired Avadh Snacks Private Limited (Avadh Snacks) to strengthen its position in Gujarat, the state with the highest food consumption in India and also to diversify and strengthen its product line with pellets and namkeen. In FY23 Avadh Snacks merged with the Company.

PRODUCT PORTFOLIO

Both traditional and western snacks are included in PSL's extensive product portfolio. The Company constantly introduces new products, varieties and market innovations for its target consumers. The Company has over 125 stock keeping units (SKUs) and daily sales of approximately 12 million packets. The Company's products vary between ₹ 5 and ₹ 100 in terms of packet size and strategic pricing point. PSL's product line is divided into the following four categories:

Product Portfolio and its Brands

EXTRUDED SNACKS

Brands: Yellow Diamond & Avadh

Comprised 58% of Total Revenue in FY23

- **Rings, Kurves, Puff & Stix**
  Target group: Children
- **Chulbule**
  Target group: Youth & Children
- **Pellets**
  Target group: Youth & Children

POTATO CHIPS

Brands: Yellow Diamond

Comprised 23% of Total Revenue in FY23

- **Chips**
  Target group: All

NAMKEEN

Brands: Yellow Diamond & Avadh

Comprised 16% of Total Revenue in FY23

- **Yellow Diamond Namkeen**
  Target group: Youth & Adults
- **Avadh (Regional) Namkeen**
  Target group: Youth & Adults

SWEET SNACKS

Brands: Rich Feast

Comprised 3% of Total Revenue in FY23

- **Cookie Cake, Center Filled Cup Cake, Choco Vanilla Cake, Tiffin Cake, Sandwich Cake & Swiss Roll**
  Target group: Children & Youth

Potato Chips, Extruded Snacks (Chulbule, Rings, Puffs & Kurves), Namkeen and Pellets form PSL's portfolio of Salty Snacks, which are marketed under the Yellow Diamond and Avadh brand. PSL caters to a wide range of products by taking into consideration various regional preferences. The Company has the most diverse portfolio with the highest quality, distinctive taste and exciting flavours at the most affordable price ranges. The extensive product portfolio of Avadh Snacks has been added to PSL's existing selection of salty snacks. PSL has expanded Avadh products outside of Gujarat and successfully taken pellet snacks to a pan-India level using its distribution network. The Company has planned various changes to pack sizes that would further induce sales and increased market penetration.

PSL entered the segment of Sweet Snacks in FY18 by setting up a manufacturing plant for cakes under the Rich Feast brand. Cookie cake, Center filled Cupcake, Yum cake, Tiffin cake, Sandwich cake and Swiss roll are the sweet snacks products under the Rich Feast brand. PSL's entry into the niche sweet snacks business is promising, as the sweet snacks market is still in its infancy and the Company intends to cross-sell its products through its existing distribution network.

KEY PILLARS OF BUSINESS STRATEGY

- **Direct and Optimised Distribution Model:** PSL commenced with a conventional three-tier distribution channel model consisting of major stockists, distributors and retailers. To maintain and distribute inventory to distributors and merchants, super stockists were appointed and products were supplied largely from the mother plant in Indore. As the Company evolved into distributed manufacturing and set up hubs across key markets, it has now adopted a two-tier distribution model eliminating the tier of super stockists in order to deal directly with distributors, who will then sell to retailers. PSL has over 5,200 super/sub distributors in 27 states and 4 union territories.

- **Expansion of Distribution Channels:** PSL currently serves 27 Indian states and 4 union territories and has access to 2.20 million retail outlets. The Company's reach has increased from an average 2.02 million outlets in FY22 to 2.18 million outlets in FY23 and it continues to expand its distribution network and penetrate existing markets. The Company makes optimal use of its distribution network to increase its reach into core regions in North and West India, which are major regions contributing more than 70% of the overall packaged savoury snacks market. Additionally, the Company is expanding its presence in southern markets.

- **Adoption of Technology and Digitalisation:** In recent years, technology has gained prominence in the FMCG sector. The Company is already aware of the situation and is making large investments in the technological infrastructure necessary for distribution. The Company has started implementing Sales Force Automation (SFA) in order to receive orders from retailers. It improves the effectiveness of order processing and gives visibility up to the last-mile to determine the strategy for driving revenue growth.

- **Namkeen to be the Highest Growth Segment:** Namkeen has dominated the category of salty snacks by retaining the largest share of the packaged salty snacks market. Furthermore, Namkeen is the largest category in the unorganised market; therefore, it represents a potential opportunity for the Company as customers transition from the unorganised to the organised sector. The Namkeen category has grown tremendously over the past few years, particularly during the pandemic, as a result of a rise in the number of people purchasing branded Namkeen rather than miscellaneous items from local stores out of hygiene concerns. The Company is revamping its namkeen portfolio in response to market demand, introducing family pack sizes and also targeting more namkeen-centric markets.

- **Delivering Value for Money Products:** PSL believes it has a deep understanding of local consumer interests and preferences because it offers innovative products at affordable prices. PSL's product portfolio encompasses a wide range of essential pricing variables and pack sizes, with prices ranging from ₹ 5 to ₹ 100. This allows the Company to concentrate on capitalising on the current trend of demand shifting gradually from unorganised to organised markets. Moreover, the large population with lower income also contributes to the growing share of the organised market.

  PSL's innovative pellets offering have been well accepted by the consumers and therefore the category of pellet snacks has outperformed in FY23. This also provides the Company with an opportunity for creativity in terms of shapes, flavours and textures. The pellets category under the fryums segment has reported exceptional growth on account of growing popularity among teens during FY23.

- **Range Selling and Larger Pack Sizes to Expand Market Share:** The Company is following a dual strategy to drive growth. In newer markets, it is seeking to add new touch points by leveraging more popular products within its portfolio. In established markets, where it is already popular with customers, it is working on a strategy to increase wallet share and transaction value through range selling and larger pack sizes. Range selling indicates a strategy to push entire range of products onto the retailer shelf space driving up the customer wallet share from each touchpoint. By promoting larger pack sizes, the transaction value with customers is enhanced and the Company can also get a share of family consumption rather than just individual consumption.

- **Planned Capex to fuel Growth:** The Company began production at its Kolkata facility in FY23, which is expected to optimise regional distribution. The Company has formalised a plan to expand its manufacturing footprint by establishing a facility in the Jammu region of northern India. The proposed investment in the facility will qualify as the committed investment under the PLI scheme's approval. The facility is strategically located to serve the Jammu & Kashmir, Punjab and Himachal markets.

- **Cost Optimisation:** PSL adopted an ongoing cost optimisation strategy, which resulted in a reduction in the expenses associated with its raw materials and transportation. The Company also lowered the quantity of oil used in its recipes and downsised its packets. Additionally, in order to enhance its profitability, the Company implemented a number of efforts, such as squeesing the distribution network, streamlining its product portfolio and improving its operational efficiency.

OPPORTUNITIES AND THREATS

Opportunities

- Increasing purchasing power
- Urbanisation drive
- Increase in e-commerce activities
- Demographical advantages
- Brand awareness and dynamic lifestyles
- Continuous innovation along with new product launches
- Untapped rural and semi-urban areas
- Increasing brand equity through mergers and acquisitions

Threats

- Inflation of raw material costs
- Slower pickup in consumer demand
- Availability and procurement of raw materials
- Competitive pressure from both organised and unorganised peers
- Increasing public health consciousness resulting in dietary adjustments
- Any adverse effect to brand image

FINANCIAL REVIEW

In FY23, the Group's consolidated annual revenue increased to ₹ 1,65,293 lakhs from ₹ 1,39,662 lakhs in FY22. In the context of a difficult macro environment, the group's revenue increased by 18.4%.

The efforts of PSL to expand its business network through the addition of new distributors and more retail touchpoints, as well as the optimisation of its existing distribution strength, have also contributed to the growth momentum. The improvement in overall activity levels supported by resilient consumption patterns, has led to higher demand and increased revenue streams.

Gross margins increased by 211 basis points (bps) to 27.9% in FY23.

Operating EBITDA decreased by 40 bps to 3.8% in FY23, translating to ₹ 6,243 lakhs.

Continually witnessed a sharp increase in the price of key raw materials such as potatoes, corn, wheat and packaging laminate, resulting in about 300-basis point year-over-year negative impact on the margin. The initiative of direct distribution has resulted in a reduction of the distribution layers, which has led to a structural improvement in channel cost. This along with other cost optimisation initiatives has helped to mitigate the negative impact to a large extent.

Profit before tax and exceptional items (PBT) decreased by 74 bps from ₹ 1,155 lakhs in FY22 to ₹ 151 lakhs in FY23. Finance costs decreased from ₹ 672 lakhs in FY22 to ₹ 655 lakhs in FY23.

Depreciation increased from ₹ 5,377 lakhs in FY22 to ₹ 6,213 lakhs in FY23.

The Board of Directors of the Company at its meeting held on 29 September, 2021 approved the Scheme of Amalgamation (the "Scheme") for the merger of its subsidiaries (transferor companies) with the Company (transferee Company). Application seeking approval of the Scheme was subsequently filed with the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench and Indore bench on 8 June, 2022 and 12 May, 2022 respectively.

The NCLT, Ahmedabad bench, approved the Scheme and issued its order on 10 February, 2023 and the Company has received certified copy the order on 23 February, 2023. The NCLT, Indore bench, approved the Scheme and issued its order on 3 March, 2023. The order was amended suo moto on 15 March, 2023 and the Company has received certified copy of the order on 21 March, 2023. Accordingly, the Company has given effect to the Scheme from the appointed date i.e., 1 April, 2021 in the financial statements for the year ended 31 March, 2023 by restating the previous year numbers in the financial statements as if the business combination had occurred at the beginning of the preceding period i.e., 1 April, 2021.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from the appointed date at their respective carrying values as per the requirements of Appendix C to Ind AS 103.

Tax expense in FY23 stood at ₹ (1,880) lakhs including a tax adjustment of ₹ (1,935) lakhs on account of the merger of its subsidiaries, compared to ₹ (530) lakhs in FY22. As a result, the net profit excluding exceptional items for the year has increased and stood at ₹ 2,031 lakhs, up 20% from ₹ 1,691 lakhs in the previous year.

The EPS excluding post-dilution stood at ₹ 8.51 in FY23.

The Board recommended Dividend of ₹ 1 per share (Face Value - ₹ 5) for FY23.

Net Worth as on 31 March, 2023, stood at ₹ 67,623 lakhs, as compared to ₹ 62,425 lakhs as on 31 March, 2022. Free cash and bank balance net of short-term borrowing stood at ₹ 5,463 lakhs.

Details of Significant Change in Key Financial Ratios

Ratios		FY2023	FY2022	% Change	Change
Net Profit margin*	%	1.2	1.2	-	Decrease in profit on account of increase in key raw materials and packing material prices Increase in profit due to Tax adjustments on account of merger of subsidiaries
Operating Profit margin	%	3.8	4.2	(9.5%)	Rise in prices for key raw materials like Potato, Corn and packing material have adversely impacted the operating profit margin
Debtor turnover	times	107	64.0	67.2%	A reduction in the average credit period offered to customers in the current year have resulted in the improvement of debtor turnover
Stock turnover	times	8.5	7.5	13.3%	Efficient utilisation of inventory has resulted in a better stock turnover ratio
Debt Equity Ratio	%	0.004	0.05	92%	Decrease in short-term unsecured borrowing from bank has resulted in decrease in ratio
Current ratio	times	1.5	1.4	7.1%	A reduction in current liabilities has resulted in increase in this ratio
Interest Coverage Ratio	times	1.2	2.7	(55.6%)	Decreased due to reduction in earnings before interest and taxes (EBIT)
Return on Networth – RoNW*	%	3.1	2.7	14.8%	Increased due to Tax adjustments on account of merger of subsidiaries

**Excluding Exceptional Item due to loss by fire at Kolkata Plant in FY22*

In FY23, the Interest Coverage Ratio decreased to 1.2x from 2.7x in FY22. This is primarily due to a decrease in earnings before interest and taxes (EBIT). The debt-to-equity ratio decreased to 0.004x in FY23 from 0.05x in FY22 due to decrease in bank short-term loans.

Change in Return on Networth

Return on Networth (RoNW) increased to 3.1% in FY23 from 2.7% in FY22 as a result of a Tax adjustment on account of the merger of subsidiaries.

OUTLOOK

PSL is one of the most prominent and rapidly expanding packaged snack food companies in India. The Company has expanded its product offerings and remains committed to introducing innovative new products for consumers of all demographics. PSL's assortment of savoury snacks continue to expand both organically and inorganically. Simultaneously, the Company intends to expand its distribution and increase its reach in order to drive revenue growth, while optimising cost and product composition to enhance operating margin. PSL's strategically positioned manufacturing facilities across the nation play a crucial role in satisfying local demand.

PSL is in a strong position to expand its business because it places a strong emphasis on increasing its distribution reach, which helps the Company achieve a larger and more effective footprint. PSL's cost-cutting efforts have also led to a structural improvement in the Company's profits. The Company wishes to increase the 3P model in the future, as it is profitable in terms of rapid expansion without significant capital expenditure. The Company is confident in its ability to sustain long-term growth due to its diversified product portfolio, strong distribution network and strong financial health.

In order to accelerate growth in the near future, the Company will maintain its well-diversified approach to enhance product diversity and regional expansion. From the ability to cross-sell high-quality products at competitive prices to "value-conscious" consumers. PSL is experimenting with new strategies to increase its share of in-home consumption and has introduced family pack sizes in a variety of product categories. The commissioning of the Kolkata plant will substantially strengthen the Company's position in the eastern region and a new plant in Jammu region will help in developing the newer markets in northern region.

Innovation and distribution expansion, synergies from the integration of Avadh's business, a pan-Indian presence with strategically located owned and contract manufacturing facilities, brand positioning as a value-focussed player and a deep understanding of consumer preferences are among the key advantages that augur well for PSL's expansion into less-penetrated areas and emergence as a preferred national brand. The Company is optimistic about continuing the pace of revenue growth against the backdrop of increasing economic activity coupled with slowing inflation.

HUMAN RESOURCES

Human resources have a significant impact on PSL's long-term growth as an industry leader in the FMCG sector. The Company supports a balanced, fair and equitable human resource management system and promotes a positive and welcoming work environment. To achieve excellent business results, a robust talent pool is required and PSL is committed to identifying and preparing successors for key positions within and outside the organisation. The Company has established robust personnel management practices, development interventions, productivity improvement efforts and reward mechanisms, enabling it to achieve organisational objectives and major milestones. The team is comprised of a healthy blend of multigenerational, diverse and dynamic professionals who are keen to learn. The Company strives continuously to improve employee skills and provide them with the competitive edge they need to flourish in a dynamic industry.

PSL also offers an Employee Stock Appreciation Rights Plan (ESARP) that enables all permanent employees to become Company's shareholders by granting them the opportunity to hold shares based on their eligibility. This ensures that employees are invested in the success of the Company.

In addition to contract labour, the Company had 1,503 employees as of the 31 March, 2023. The industrial facilities are devoid of labour or employees' unions and no work has been interrupted by labour unrest in FY 23.

CORPORATE SOCIAL RESPONSIBILITY

The Company seeks to contribute significantly to the social and economic development of a sustainable society. The Company's CSR policy describes how its CSR activities contribute to the economic, environmental and social well-being of local communities. PSL aspires to establish a reputation as a dependable, credible and responsible business partner in the communities in which it operates.

In FY23, PSL spent ₹ 67.80 lakhs on its various CSR activities. PSL's plantation drive has been helpful in supporting activities, which are beneficial and towards sustainable environment. The Company has made its contribution to the social and economic development of a sustainable society by enhancing the vocational skills of women and their livelihoods through various capacity building and skill development trainings. PSL has provided infrastructure/facility for drinking water and coolers, construction of hand wash and utensils cleaning areas. It has also contributed in developing infrastructure and purchasing equipment & organising training activities for differently abled children. It has also conducted digital literacy programmes, wellness (yoga) programmes and self-awareness workshops for children in Childcare Institutions. Under the health initiative, PSL has distributed high-protein diets to pregnant women and anaemic children and provided medicines, nutrition and beds for geriatric, disabled and mentally challenged people. PSL also provided food for wounded, sick and stray animals residing in the animal shelter.

RISK AND MITIGATION

Risks and concerns are inherent to any business environment and may have a substantial impact on the Company's performance and future prospects. Risk management is an integral part of the Company's long-term business strategy. The cost of basic materials has been rising at a faster rate than in the past, posing a greater threat to the Company. The Company has implemented Enterprise Risk Management in order to manage risks while attaining its business objectives and goals by identifying risks, evaluating risks, developing risk mitigation methods and continuously monitoring risk containment commitments.

The Company has determined a number of multidimensional threats that affect both its external environment and its internal business operations and performance. The Company evaluates and identifies any additional threats that may emerge and become evident in the future.

- **Input cost inflation risk:** Key raw materials such as potatoes, palm oil and packaging laminate dominate the Company's raw material basket. Any supply chain disruptions, raw material shortages, or price increases will have a significant impact on the Company's costs and profit margins.

  Mitigation: PSL has developed long-term relationships with its suppliers over the years to assure a steady supply of basic materials. To mitigate risk, the Company enters into long-term contracts for packaging laminates and palm oil whenever possible. In addition, the Company has installed refrigerated storage facilities for volume purchases and is expanding its procurement locations to ensure a year-round supply of potatoes. When feasible, the Company engages in forward contracts to mitigate price volatility. Continual process re-engineering and cost-optimisation aid in mitigating the effect of rising raw materials and packing materials on profitability.

- **Macro-economic risk:** The expansion of the Company's product portfolio is reliant on the country's economic growth as a whole. Severe economic changes might pose the primary source of risk for the firm. Moreover, other macro-economic issues may cause alterations in consumer behaviour, purchasing patterns and working environments, which may present challenges for the organisation.

  Mitigation: PSL confronted the initial difficulties posed by escalating global geopolitical issues and supply chain constraints resulting in rising inflation and it continued to actively monitor key developments in an effort to mitigate the negative impact on its operations. The Company is diligently working to reclaim its growth trajectory through a strong consumer focus, innovative marketing and distribution and operational efficiency.

- **Peer risk:** The Company confronts substantial rivalry from both organised and unorganised market players, including larger established businesses and minor regional players, which might have an impact on its overall growth and profit trajectory.

  Mitigation: The Company provides a varied range of products and continues to innovate new ones to help it stay ahead of the competition. As a specialised player, the Company has a comprehensive understanding of consumer preferences and is well-positioned to capitalise on this knowledge. PSL is poised for sustained development and expansion as a result of its extensive distribution network, utilisation of strategically located manufacturing facilities and diverse product portfolio.

- **Cyber Security risk:** The possibility of unauthorised personnel accessing the Company's server from a remote location via hacking or virus attack could result in financial and operational losses for the Company. Moreover, any technical error or system malfunction may also have an impact on business operations.

  Mitigation: The Company has taken numerous steps to mitigate the cyber risk associated with its operations. PSL uses passwords, firewalls, VPN and an SSL certificate for its web portal to assure the security of its technical operations. PSL has implemented Disaster Recovery Mechanism (DRM) for real-time server replication to ensure business continuity and reduce operational risk. PSL has installed CCTV cameras with authorised access in the server rooms of its offices. Endpoint Detection and Response (EDR) and Data Leakage Prevention (DLP) have been implemented on all devices and servers by the Company. In addition, the Company has implemented continuous monitoring and assessment of cyber security risk, review of safety features log and real-time mirroring of servers and backups.

INTERNAL CONTROL SYSTEM

The Company's pan-India presence and vast business structure require an extensive and efficient internal control architecture. The Company has implemented a strong internal control framework to monitor the effectiveness of internal controls. The Company's independent internal auditor provides the Audit Committee with an independent and reasonable level of assurance regarding the adequacy and effectiveness of risk management, internal control business processes, operations, financial reporting and compliance. The internal control framework is suitable for the size, scope and complexity of the Company's operations.

Regular internal audits and management evaluations are conducted in areas including procurement, production, information technology, supply chain, sales, marketing and finance. The management team routinely reviews internal auditor reports before putting corrective and remedial measures in place to strengthen controls and improve the effectiveness of current systems. The Audit Committee receives executive summaries of the internal audit reports and action plans for its review and update.

CAUTIONARY STATEMENTS

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, like regulatory changes, local political or economic developments and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prataap Snacks Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstance.

Board's Report

To the Members,

Your Board of Directors ('Board') is pleased to present the 14th Board's Report of Prataap Snacks Limited ('Prataap' or 'Company') for the financial year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

The efforts of Company to expand its business network through the addition of new distributors and more retail touchpoints, as well as the optimisation of its existing distribution strength have contributed to the growth momentum. The improvement in overall activity levels supported by resilient consumption patterns has led to higher demand and increased revenue streams. The standalone revenue from operations of the Company increased to ₹ 1,65,293.22 lakhs compared to ₹ 1,39,661.93 lakhs in the previous year, registering a growth of 18.35%. The operating profit before tax has decreased due to increase in key raw materials, such as potatoes, corn, wheat and packaging laminate. The initiative of direct distribution has resulted in a reduction of the distribution layers, which has led to optimization in channel cost. This along with other cost optimization initiatives has helped to mitigate the negative impact to a large extent. Though the operating profit before tax has decreased, the net profit of the Company has increased to ₹ 2,026.25 lakhs compared to ₹ 285.91 lakhs in the previous year, primarily due to tax adjustments on account of merger of subsidiaries. The financial performance of the Company on standalone and consolidated basis is as under:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Revenue from operations	1,65,293.22	1,39,661.93	1,65,293.22	1,39,661.93
Exceptional item*	-	1,393.76	-	1,393.76
Profit/(Loss) before tax	146.35	(243.93)	151.28	(238.94)
Less: Current tax	(85.65)	(205.28)	(85.65)	(205.28)
Add: Deferred tax (including minimum alternate tax)	30.10	735.12	30.10	735.12
Add: Tax adjustments in respect of earlier years	1,935.45	-	1,935.45	-
Net Profit after tax	**2,026.25**	**285.91**	**2,031.18**	**290.90**
Other Comprehensive income/(loss)	47.97	23.11	47.97	23.11
Total comprehensive income for the year	**2,074.22**	**309.02**	**2,079.15**	**314.01**
Surplus brought forward	22,444.14	22,252.39	22,467.96	22,271.22
Add: ESAR lapsed during the year	111.16	-	111.16	-
Less: Amount utilised towards payment of dividend (including dividend distribution tax)	(117.27)	(117.27)	(117.27)	(117.27)
Surplus carried forward	**24,512.25**	**22,444.14**	**24,540.99**	**22,467.96**

* Loss by fire at Kolkata Unit.

The National Company Law Tribunal, Ahmedabad Bench vide its Order dated 10th February, 2023 and National Company Law Tribunal, Indore Bench vide its Order dated 3rd March, 2023, suo moto amended on 15th March, 2023 have sanctioned the Scheme of Amalgamation of Avadh Snacks Private Limited ("Transferor Company 1") and Red Rotopack Private Limited ("Transferor Company 2") with Prataap Snacks Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme"). As per the Scheme, the appointed date is 1st April, 2021, accordingly, the Company has given effect to the Scheme from the appointed date i.e. 1st April, 2021 in the financial statements for the year ended 31st March, 2023 by restating the previous year numbers in the financial statements as if the business combination had occurred from the beginning of the preceding period i.e. 1st April, 2021. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from the appointed date at their respective carrying values as per requirements of Ind AS 103.

During the year under review, your Company has commenced the production in its Kolkata unit, which is expected to optimise regional distribution.

The Company has undertaken / taking various steps to improve profitability. The key steps include cost optimization measures in sales and distribution and operations; preference to mid-term price contract for key raw materials and packaging material over spot purchases to the extent available and subject to market dynamics; focus on key potential markets where Company has invested in building sales team; and sustained focus on improving Company's market share in packaged snacks food.

Your Company has embarked on a series of strategic and operational measures that are expected to result in improvement in the present position. The Company shall focus on driving the sales growth and increase in market share by focusing in key potential under penetrated markets and increasing the reach in existing markets. The prices of few key raw materials and packaging material have come down from their peak and that will also improve the profitability. Further, Company will also get the operating leverage with the growth in revenue.

AMALGATION OF AVADH SNACKS PRIVATE LIMITED AND RED ROTOPACK PRIVATE LIMITED, THE SUBSIDIARIES WITH THE COMPANY

During the year under review, the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT, Ahmedabad Bench") vide its order dated 10th February, 2023 and Hon'ble National Company Law Tribunal, Indore Bench ("NCLT, Indore Bench") vide its order dated 3rd March, 2023, suo-moto amended on 15th March, 2023 have sanctioned the Scheme of Amalgamation of Avadh Snacks Private Limited ("Transferor Company 1") and Red Rotopack Private Limited ("Transferor Company 2") with Prataap Snacks Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme"). The certified copy of order of NCLT, Ahmedabad Bench has been filed with the Registrar of Companies, Ahmedabad by the Transferor Companies on 14th March, 2023 and the certified copy of order of NCLT, Indore Bench has been filed with the Registrar of Companies, Gwalior by the Company on 29th March, 2023. Accordingly, the Scheme has become effective from 29th March, 2023 and Avadh Snacks Private Limited and Red Rotopack Private Limited, the subsidiaries are merged with the Company.

RESTATEMENT OF FINANCIAL STATEMENTS

During the year under review, the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 10th February, 2023 and Hon'ble National Company Law Tribunal, Indore Bench vide its order dated 3rd March, 2023, suo-moto amended on 15th March, 2023 have sanctioned the Scheme. As per the Scheme, the appointed date is 1st April, 2021, accordingly, the Company has given effect to the Scheme from the appointed date i.e. 1st April, 2021 in the financial statements for the year ended 31st March, 2023 by restating the previous year numbers in the financial statements as if the business combination had occurred from the beginning of the preceding period i.e. 1st April, 2021. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from the appointed date at their respective carrying values as per requirements of Ind AS 103. The details of the same is provided in note no. 50 of the Notes to Standalone Financial Statements.

DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, the Board of Directors of the Company is pleased to recommend a dividend of ₹ 1.00 per equity share of ₹ 5/- each (i.e. 20%) for the financial year ended 31st March, 2023. Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy of the Company has been disclosed on the website of the Company and the web link of the same is http://www.yellowdiamond.in/wp-content/uploads/2018/05/Dividend-Distribution-Policy-31st May.pdf.

RESERVES

For the financial year ended 31st March, 2023, no amount has been proposed to carry to General Reserve. However, ₹ 2,026.25 lakhs has been taken to surplus in the Statement of profit and loss.

SHARE CAPITAL

During the year under review, Avadh Snacks Private Limited and Red Rotopack Private Limited, the subsidiaries of the Company have been merged with the Company as per the Scheme. Accordingly, the authorised share capital of Avadh Snacks Private Limited and Red Rotopack Private Limited has been merged with the authorised share capital of the Company and accordingly, the authorised share capital of the Company has been increased from ₹ 1,600.00 lakhs to ₹ 2,675.00 lakhs. As on 31st March, 2023, the authorised share capital is ₹ 2,675.00 lakhs and issued, subscribed and paid-up equity share capital is ₹ 1,172.65 lakhs.

The Board of Directors of your Company in the meeting held on 13th April, 2023 has allotted 4,06,556 equity shares to the shareholders of Avadh Snacks Private Limited (Transferor Company 1) (except the Transferee Company / Company) pursuant to the Scheme. Accordingly, the issued, subscribed and paid-up equity share capital of the Company stands increased from ₹ 1,172.65 lakhs to ₹ 1,192.98 lakhs.

EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR) PLAN

The Company has framed Prataap Employees Stock Appreciation Rights Plan 2018 ("ESARP 2018") pursuant to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. During the year under review, the Company has granted 2,00,821 Employee Stock Appreciation Rights (ESARs) to the eligible employees. There was no change in the ESARP 2018 during the year under review. The disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1)

(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital And Debentures) Rules, 2014 is given in Annexure-I, which is annexed hereto and forms part of the Board's Report and also disclosed on the website of the Company and can be accessed at https://www.yellowdiamond.in/wp-content/uploads/2023/06/Disclosure-of-ESARs-31.03.2023.pdf. The ESARP 2018 is in compliance with applicable provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

DEPOSITS

During the year under review, your Company has not accepted any public deposits within the meaning of Section(s) 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Para B and C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis, Report on Corporate Governance and Practicing Company Secretary's certificate regarding the compliance of conditions of Corporate Governance and Business Responsibility and Sustainability Report form part of Annual Report 2022-23 ("Annual Report").

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted the Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013, the details of which have been provided in the Corporate Governance Report forming part of the Annual Report. The Annual Report on CSR activities as required to be given under Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in Annexure-II which is annexed hereto and forms part of the Board's Report. The Company has adopted and amended its Corporate Social Responsibility Policy (CSR Policy) in line with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, as applicable, from time to time. The CSR Policy deals with objectives, scope/areas of CSR activities, implementation and monitoring of CSR activities, CSR budget, reporting, disclosures etc. The same is uploaded and available on the website of the Company and the weblink of the same is http://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-Policy-Prataap-Snacks-1.pdf.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013, your Board of Directors confirm the following:

(a) in the preparation of the annual financial statements for the year ended 31st March, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed alongwith proper explanation relating to material departures, if any;

(b) the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and the profit and loss of the Company for the year ended on that date;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company's financial, operational and compliance controls are embedded in the business processes. Additionally, the Risk Management Committee and the Board of Directors assess the implementation of risk management and risk mitigation measures through their review of potential risks which could impact the operations. This includes an additional oversight in the area of financial risks and controls besides inherent risks associated with the products dealt with by the Company. The major risks identified are systematically addressed through mitigating actions on a continual basis.

The Risk Management Committee is entrusted with the responsibility to assist the Board in overseeing and recommending/approving the Company's Enterprise Risk Management (ERM) Policy.

The purpose of the ERM Policy is to institutionalise a formal risk management function and framework in the Company for identifying, assessing, monitoring and managing its business risk including any material changes to its risk profile.

In addition, the policies and procedures have been designed to ensure the safeguarding of the Company's assets; prevention and detection of frauds and errors; accuracy and completeness of the accounting records; and timely preparation of reliable financial information.

Your Company's system and process relating to internal controls and procedures for financial reporting provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable Indian Accounting Standards, the Companies Act, 2013 and Rules made thereunder and all other applicable regulatory/ statutory guidelines etc.

Your Company's internal control systems are supplemented by an extensive program of internal audit by an independent firm of Chartered Accountants. Internal audit is conducted at regular intervals and a summary of the observations and recommendations of such audit alongwith management reply are placed before the Audit Committee of the Board.

HUMAN RESOURCE

Your Company follows a policy of building strong team of talented professionals. Your Company continues to build on its human resource capabilities by hiring the right talent, who support different functions and takes effective steps to retain such talent. People remain the most valuable asset of your Company and it has built an open, transparent and meritocratic culture to nurture this asset.

Your Company's human resource commensurate with its size, nature and operations. The Company's Industrial Relations remained cordial and harmonious throughout the year.

DIRECTORS

During the year under review, Mr. G.V. Ravishankar (DIN: 02604007) Non-Executive Nominee Director has resigned from the Board of Directors of the Company with effect from 2nd November, 2022. Consequent to the resignation of Mr. G.V. Ravishankar, the tenure of Mr. Bharat Singh (DIN: 08222884) as an Alternate Director for Mr. G.V. Ravishankar on the Board of the Company also ceased with effect from close of business hours on 2nd November, 2022.

The Board of Directors of the Company in its Meeting held on 3rd November, 2022 has appointed Mr. Bharat Singh (DIN: 08222884) as an Additional Director (Non-Executive Nominee Director). Subsequently, the members by resolution passed through Postal Ballot on 25th December, 2022 have appointed Mr. Bharat Singh as a Non-Executive Nominee Director of the Company. Mr. Bharat Singh is a Nominee Director of Sequoia Capital.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Arvind Mehta (DIN: 00215183), Director will retire by rotation at the ensuing 14th Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing 14th Annual General Meeting of the Company.

The brief resume and other information/details of Mr. Arvind Mehta seeking re-appointment, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given in the Notice of the ensuing 14th Annual General Meeting, which forms part of the Annual Report.

KEY MANAGERIAL PERSONNEL

Mr. Arvind Mehta, Chairman and Executive Director, Mr. Amit Kumat, Managing Director and Chief Executive Officer, Mr. Apoorva Kumat, Executive Director (Operations), Mr. Sumit Sharma, Chief Financial Officer and Mr. Om Prakash Pandey, Company Secretary and Compliance Officer are the key managerial personnel of the Company. During the year under review, there was no change in the key managerial personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of your Company, namely, Mrs. Anisha Motwani (DIN: 06943493), Mr. Vineet Kumar Kapila (DIN: 00056582), Mr. Chetan Kumar Mathur (DIN: 00437558) and Mr. V.T. Bharadwaj (DIN: 02918495) have individually given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the declarations received from the Independent Directors, the Board of Directors recorded its opinion that all the Independent Directors are independent of the management and have fulfilled the conditions as specified under the governing provisions of the Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETINGS OF BOARD AND COMPOSITION OF COMMITTEES

During the year ended 31st March, 2023, four (4) Board meetings were held on 20th May, 2022, 08th August, 2022, 03rd November, 2022 and 03rd February, 2023.

As required under Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules made thereunder, the composition and meetings of the Audit Committee are in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of which alongwith composition, number of meetings of all other Board Committees held during the year under review and attendance at the meetings are provided in the Report on Corporate Governance, which forms part of the Annual Report. During the year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Note on Board evaluation issued by SEBI, the Board of Directors of your Company carried out a formal annual evaluation of its own performance and of its committees and individual directors. The process was conducted by allowing the Board to engage in candid discussions with each Director with the underlying objective of taking best possible decisions in the interest of the Company and its stakeholders. The Directors were individually evaluated through a structured questionnaire to ascertain feedback on parameters which, inter alia, comprised of level of engagement, their contribution to strategic planning and other criteria based on performance and personal attributes of the Directors. During the process of evaluation, the performance of the Board was evaluated by the Board after seeking inputs from all the Directors. The performance of the committees was evaluated by the Board after seeking inputs from the respective Committee members on the basis of the criteria such as the composition of committees, effectiveness of the committees, structure of the committees and meetings, contribution of the committees etc. The Board evaluated the performance of the individual director based on the criteria as per aforesaid Guidance Note of SEBI and evaluation criteria framed by the Nomination and Remuneration Committee. A statement regarding the form and the way in which the annual performance evaluation has been made is given in the Report on Corporate Governance, which forms part of the Annual Report.

SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy, which, inter alia, deals with the criteria for identification of members of the Board of Directors and selection/appointment of the Key Managerial Personnel/Senior Management Personnel of the Company and their remuneration. The Nomination and Remuneration Committee recommends appointment of Directors based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee, in addition to ensure diversity, also considers the impact the appointee would have on Board's balance of professional experience, background, view-points, skills and areas of expertise.

The Nomination and Remuneration Policy of the Company has been amended from time to time in line with applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors in its meeting held on 13th April, 2023 has amended the Nomination and Remuneration Policy in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023. The salient features of the Nomination and Remuneration Policy are stated in the Report on Corporate Governance, which forms part of the Annual Report. The Nomination and Remuneration Policy is uploaded on the website of the Company and the web link of the same is https://www.yellowdiamond.in/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy-1.pdf.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In terms of the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism which includes formulation of the Whistle Blower Policy to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud, instances of leak of unpublished price sensitive information that could adversely impact the Company's operations, business performance and/or reputation. No employee is denied access to the Vigilance Officer as well as Chairman of the Audit Committee. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. The policy is available on the website of the Company and the web link of the same is https://www.yellowdiamond.in/wp-content/uploads/2018/01/Vigil-Mechanism-Whistle-Blower-Policy.pdf.

AUDITOR

In terms of provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), was appointed as Auditor of your Company to hold office for a consecutive period of five (5) years until the conclusion of 17th Annual General Meeting of the Company.

AUDITOR'S REPORT

The Auditor's Report on the financial statements of the Company forms part of the Annual Report. During the year under review, the Auditor have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed pursuant to Section 134(3)(ca) of the Companies Act, 2013. However, there are following unfavourable remarks under 'Report on other legal and regulatory requirements' section in terms of the Companies (Auditor's Report) Order, 2020 (CARO) in the Auditor's Report on the Standalone Financial Statements:

i. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund. No undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable, except Provident Fund as detailed in clause vii (a) in the Annexure A to the Auditor's Report on the Standalone Financial Statements.

ii. The transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 except the transactions with one related party as detailed in clause xiii in the Annexure A to the Auditor's Report on the Standalone Financial Statements, for which prior Audit Committee approval was not obtained under Section 177 of the Companies Act, 2013 however ratified by approval by Audit Committee in the meeting held on 26th May, 2023.

Board of Directors' comments:

The slight delay in deposit of provident fund in few cases and were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable as detailed in clause vii (a) in the Annexure A to the Auditor's Report on the Standalone Financial Statements was due to mismatch of Aadhaar details and provident fund account details of such cases.

The prior approval of Audit Committee has taken for all related party transactions except for transactions with one related party as detailed in clause xiii in the Annexure A to the Auditor's Report on the Standalone Financial Statements. The same was due to oversight. The transactions with said related party were entered on arm's length basis and in ordinary course of business and accordingly, the transactions with said related party have subsequently approved/ratified by the Audit Committee in its Meeting held on 26th May, 2023.

Apart from the above, there are no other unfavorable or qualified or adverse clause in the Auditor's Report, which calls for any comment or explanation. The Company has strengthen the process of identification of related party and entering into transaction with a related party.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Ritesh Gupta & Co., Company Secretaries in practice was appointed to undertake the secretarial audit of the Company for the financial year ended 31st March, 2023. The Report of the Secretarial Auditor for the financial year ended 31st March, 2023 is given in Annexure-III, which is annexed hereto and forms part of the Board's Report. There are no qualification or observation or adverse remark in the Secretarial Audit Report except the following:

i. The prior approval of Audit Committee has taken for all related party transactions except for transactions with one related party, which subsequently approved / ratified by the Audit Committee in its meeting held on 26th May, 2023.

Board of Directors' comments:

The prior approval of Audit Committee has taken for all related party transactions in terms with provisions of Section 177 of the Companies Act, 2013 read with Rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for transactions with one related party. The same was due to oversight. The transactions with said related party were entered on arm's length basis and in ordinary course of business and accordingly, the transactions with said related party have subsequently approved/ratified by the Audit Committee in its Meeting held on 26th May, 2023.

INTERNAL AUDITOR

M/s. Grant Thornton Bharat LLP, Chartered Accountants is the Internal Auditor of the Company.

COST AUDITOR

The provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company. Hence, the maintenance of the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not required and accordingly such accounts and records are not made and maintained. The Company has not appointed any Cost Auditor during the year under review.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered into by the Company during the year under review were on arm's length basis and in the ordinary course of business. Further, during the year under review, no material related party transactions were entered into by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable. During the year under review, all related party transactions were placed in the Audit Committee meeting for approval except the transactions with one related party. The same was due to oversight. The transactions with said related party were entered on arm's length basis and in ordinary course of business and accordingly, the transactions with said related party have subsequently approved/ratified by the Audit Committee in its Meeting held on 26th May, 2023. Further, prior omnibus approval of the Audit Committee has obtained on an annual basis, for a financial year, for the transactions, which are of foreseen and repetitive in nature. The statement giving details of related party transactions entered into pursuant to the omnibus approval were placed before the Audit Committee for its review. Details of related party transactions are provided in the financial statements and hence not repeated herein for the sake of brevity.

The Company has formulated a Policy on materiality of related party transactions and dealing with related party transactions, which is available on the website of the Company and can be accessed through web link http://www.yellowdiamond.in/wp-content/uploads/2018/01/Policy-on-Materiality-of-Related-Party-Transactions-and-on-Dealing-with-Related-Party-Transactions-1.pdf.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

During the year under review, Avadh Snacks Private Limited and Red Rotopack Private Limited, the subsidiaries have been merged with the Company as per the Scheme. Accordingly, as on 31st March, 2023, your Company do not have any subsidiary, associate or joint venture.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder read with Indian Accounting Standards specified under the Companies (Indian Accounting Standards) Rules, 2015, the consolidated financial statements of the Company as at and for the year ended 31st March, 2023 forms part of the Annual Report.

LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments pursuant to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements and hence not repeated herein for the sake of brevity.

DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ETC.

As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement of disclosure of remuneration and such other details as prescribed therein is given in Annexure-IV, which is annexed hereto and forms part of the Board's Report.

PARTICULARS OF EMPLOYEES

The statement of particulars of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-IV, which is annexed hereto and forms part of the Board's Report.

ANNUAL RETURN

In compliance with the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company for the financial year ended 31st March, 2023 has been uploaded on the website of the Company and the web link of the same is https://www.yellowdiamond.in/wp-content/uploads/2023/06/Annual-Return-2022-23.pdf.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure-V, which is annexed hereto and forms part of the Board's Report.

INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has constituted an Internal Complaints Committee pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. During the year under review, no case was filed or reported under the said Act.

GENERAL

During the year under review, there were no transactions or events with respect to the following, hence no disclosure or reporting:

1. Material changes and/or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this Report.

2. Significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

3. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-time Director(s) of the Company.

4. Buy back of securities/issue of sweat equity shares/issue of equity shares with differential rights.

5. Matters reported by the Auditor under Section 143(12) of the Companies Act, 2013 either to Audit Committee, Board of Directors or the Central Government.

6. Revision of the previous year's financial statements. However, during the year under review, the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 10th February, 2023 and Hon'ble National Company Law Tribunal, Indore Bench vide its order dated 3rd March, 2023, suo-moto amended on 15th March, 2023 have sanctioned the Scheme. As per the Scheme, the appointed date is 1st April, 2021, accordingly, the Company has given effect to the Scheme from the appointed date i.e. 1st April, 2021 in the financial statements for the year ended 31st March, 2023 by restating the previous year numbers in the financial statements as if the business combination had occurred from the beginning of the preceding period i.e. 1st April, 2021. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from the appointed date at their respective carrying values as per requirements of Ind AS 103. The details of the same is provided in note no. 50 of the Notes to Standalone Financial Statements.

7. Change in the nature of business of the Company.

8. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

9. One-time settlement with any bank or financial institution.

ACKNOWLEDGEMENT

The Board wish to place on record its deep sense of appreciation for continued support and co-operation received from the banks, financial institutions, investors, government, customers, vendors, shareholders and other stakeholders during the year under review. The Board also wish to place on record its grateful appreciation to all the employees of the Company for their unstinted dedication, commitment and contribution in the performance of the Company. Your Board look forward for their continued support in future.

Yours faithfully,

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Arvind Mehta	**Amit Kumat**
Chairman and Executive Director	Managing Director and Chief Executive Officer
DIN: 00215183	DIN: 02663687

Place: Indore
Date: 26th May, 2023

ANNEXURE-I

Disclosure under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI Regulations') and Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

A. RELEVANT DISCLOSURES IN TERMS OF THE ACCOUNTING STANDARDS PRESCRIBED BY THE CENTRAL GOVERNMENT IN TERMS OF SECTION 133 OF THE COMPANIES ACT, 2013 INCLUDING THE 'GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS' ISSUED IN THAT REGARD FROM TIME TO TIME:

Please refer to Note no. 43 of Notes to standalone financial statements, which forms part of the Annual Report.

B. DILUTED EARNINGS PER SHARE (EPS) ON ISSUE OF EQUITY SHARES ON EXERCISE OF ESARS PURSUANT TO ESARP 2018 IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD (IND AS) 33 'EARNINGS PER SHARE':

₹ 8.49

C. DETAILS RELATED TO SAR

Sr. No.	Particulars	Prataap Snacks Limited Employee Stock Appreciation Rights Plan 2018 (ESARP 2018)
(i)	A description of each SAR scheme that existed at any time during the year, including the general terms and conditions of each SAR scheme, including:	
a)	Date of shareholders' approval	28th September, 2018
b)	Total number of shares approved under the SAR scheme	3,51,000 equity shares
c)	Vesting requirements	ESARs granted under ESARP 2018 will vest after a minimum period of one year but not later than a maximum period of five years from the grant date as per vesting schedule mentioned in the grant letter on meeting the vesting conditions as specified in ESARP 2018.
d)	SAR Price or Pricing Formula	i. ESARs granted on 9th August, 2019: ₹ 775.00 (Rupees Seven hundred seventy five only) ii. ESARs granted on 4th February, 2022: ₹ 842.00 (Rupees Eight hundred forty two only) iii. ESARs granted on 19th August, 2022: ₹ 767.00 (Rupees Seven hundred sixty seven only)
e)	Maximum term of SAR granted	Five years from the grant date
f)	Method of settlement (whether in cash or equity)	Equity (Further, if the settlement results in fractional shares, then the consideration for fractional shares shall be settled in cash or in the manner as may be decided by the Nomination and Remuneration Committee.)
g)	Choice of settlement (with the company or the employee or combination)	With the employee
h)	Source of shares (primary, secondary or combination)	Primary
(i)	Variation in terms of scheme	Nil
(ii)	Method used to account for SAR - Intrinsic or fair value	Fair value

Sr. No.	Particulars	Prataap Snacks Limited Employee Stock Appreciation Rights Plan 2018 (ESARP 2018)
(iii)	Where the company opts for expensing of SAR using the intrinsic value of SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of SAR, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Not Applicable
(iv)	SAR movement during the year	
a)	Number of SARs outstanding at the beginning of the year	2,50,166
b)	Number of SARs granted during the year	2,00,821
c)	Number of SARs forfeited/lapsed during the year	28,394
d)	Number of SARs vested during the year	54,543
e)	Number of SARs exercised/settled during the year	Nil
f)	Number of SARs outstanding at the end of the year	4,22,593
g)	Number of SARs exercisable at the end of the year	1,39,230
h)	Total number of shares arising as a result of exercise of SARs	Nil Total number of shares covered and to be allotted upon exercise is as under: Number of shares to be allotted = (Appreciation per ESAR x Number of ESARs exercised)/Market price with reference to date of exercise
i)	Exercise price	ESAR grantee shall pay the face value of a share prevailing at the time of such allotment per share allotted subject to additional payment/recovery of applicable taxes. The present face value of share is ₹ 5.00 per share.
j)	Money realised by exercise of SARs	Nil
k)	Total number of SARs in force	4,22,593
(v)	Employee wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to:	

Sr. No.	Particulars	Name & Designation	No. of ESARs granted during the financial year 2022-23	Exercise Price
a)	Senior managerial personnel (including key managerial personnel);	Mr. Rakesh Chauhan, President – Sales	6,667	Not Applicable
		Mr. Sumit Sharma, Chief Financial Officer	50,700	Not Applicable
		Mr. Om Prakash Pandey, Company Secretary & Compliance Officer	2,667	Not Applicable

Sr. No.	Particulars	Prataap Snacks Limited Employee Stock Appreciation Rights Plan 2018 (ESARP 2018)		
b)	Any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and	**Name & Designation**	**No. of ESARs granted during the financial year 2022-23**	**Exercise Price**
		Mr. Awadh Bihari Singh, General Manager Sales - East	22,357	Not Applicable
		Mr. Ankur Verma, Business Head - (North & East) & Avadh	19,076	Not Applicable
		Mr. Rishabh Singh, Business Head – West & South	13,333	Not Applicable
		Mr. Rajesh Sharma, Manager - Chips	12,436	Not Applicable
c)	Identified employees who were granted SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil		
(vi)	Disclosures in respect of grants made in three years prior to IPO under each SAR scheme.	Not Applicable		

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Arvind Mehta
Chairman and Executive Director
DIN: 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN: 02663687

Place: Indore
Date: 26th May, 2023

ANNEXURE-II

Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Corporate Social Responsibility (CSR) forms an integral part of Prataap's overall philosophy of giving back to the society. The Company is committed to bring positive changes in the society in which it operates.

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the Company has formulated its CSR Policy with the vision to actively contribute to spreading education by promoting education, enhancing vocation skills especially among children and livelihood enhancement projects, protecting environment and conservation of natural resources, health care including preventive health care, rural development, animal welfare etc. The CSR Policy deals with objectives, scope/ areas of CSR activities, implementation and monitoring of CSR activities, CSR budget, reporting, disclosures etc.

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Anisha Motwani	Chairperson, Independent Director	2	2
2.	Mr. V.T. Bharadwaj	Member, Independent Director	2	2
3.	Mr. Arvind Mehta	Member, Executive Director	2	2
4.	Mr. Amit Kumat	Member, Executive Director	2	2

3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

The composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on website of the Company and the web-link of the same are as under:

(a) Composition of CSR Committee:
https://www.yellowdiamond.in/investor-relations/constitution-of-committees/

(b) CSR Policy:
http://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-Policy-Prataap-Snacks-1.pdf

(c) CSR Projects:
https://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-projects-for-financial-year-2022-23.pdf

4. EXECUTIVE SUMMARY ALONG WITH WEB-LINK OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE:

Not Applicable.

5. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 3,336.71 lakhs

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 66.73 lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any: ₹ 0.04 lakhs

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 66.69 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 67.80 lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 67.80 lakhs

(e) CSR amount spent or unspent for the Financial Year:

(₹ in lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
67.80	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set-off, if any:

(₹ in lakhs)

Sr. No.	Particulars	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	66.73
(ii)	Total amount spent for the Financial Year	67.80
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1.07
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	1.07

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY - 1							
2	FY - 2				Nil			
3	FY - 3							

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

No

If Yes, enter the number of Capital assets created / acquired: Nil

Furnish the details relating to such asset(s) so created / acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135:

Not Applicable.

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Arvind Mehta
Chairman and Executive Director
DIN: 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN: 02663687

Anisha Motwani
Chairperson
CSR Committee
DIN: 06943493

Place: Indore
Date: 26th May, 2023

ANNEXURE-III

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prataap Snacks Limited
Khasra No. 378/2, Nemawar Road,
Near Makrand House, Palda,
Indore - 452020, Madhya Pradesh, India

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Prataap Snacks Limited (CIN:L15311MP2009PLC021746)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(vi) The Company has identified and confirmed the following law as being applicable specifically to the Company:

  a) Food Safety and Standards Act, 2006

  b) Trade Marks Act, 1999

  c) Legal Metrology Act, 2009

  I have relied on the representation made by the Company and its officers for the system and processes formed by the Company to monitor and ensure compliances under the other applicable laws specifically applicable to the Company.

(vii) I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standard-1 on Meeting of the Board of Directors and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the financial year under report :-

a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

c) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

- The prior approval of Audit Committee has taken for all related party transactions except for transactions with one related party, which subsequently approved / ratified by the Audit Committee in its meeting held on 26th May, 2023.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the change in Board of Directors during the year was duly made in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notices were given to all directors to schedule the Board Meetings and Committee Meetings. Agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out by majority. The dissenting members' views, if any, were captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that no event occurred during the audit period having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the amalgamation of Avadh Snacks Private Limited and Red Rotopack Private Limited with the Company as per the Scheme of Amalgamation of Avadh Snacks Private Limited ("Transferor Company 1") and Red Rotopack Private Limited ("Transferor Company 2") with Prataap Snacks Limited ("Transferee Company") and their respective shareholders and creditors duly sanctioned by the National Company Law Tribunal, Ahmedabad Bench vide its order dated 10th February, 2023 and National Company Law Tribunal, Indore Bench vide its order dated 03rd March, 2023, suo moto amended on 15th March, 2023.

For **Ritesh Gupta & Co.**
Company Secretaries

Ritesh Gupta
CP: 3764 | FCS: 5200
UDIN: F005200E000378144

Place: Indore
Date: 26th May, 2023

Note: *This report is to be read with my letter of even date which is annexed as **'Annexure-A'** and forms part of this report.*

Annexure-'A' to the Secretarial Audit Report

To,
The Members,
Prataap Snacks Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial and other statutory records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For **Ritesh Gupta & Co.**
Company Secretaries

Ritesh Gupta
CP: 3764 | FCS: 5200
UDIN: F005200E000378144

Place: Indore
Date: 26th May, 2023

ANNEXURE-IV

Details pertaining to Remuneration

[As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2023 IS AS UNDER:

Name of Director	Remuneration (₹ in lakhs)	Ratio of remuneration of Director to the median remuneration
Mr. Arvind Mehta Chairman and Executive Director	90.00	37.82
Mr. Amit Kumat Managing Director and Chief Executive Officer	90.00	37.82
Mr. Apoorva Kumat Executive Director (Operations)	90.00	37.82
Mrs. Anisha Motwani Independent Director	12.00	5.04
Mr. Vineet Kumar Kapila Independent Director	10.10	4.24
Mr. Chetan Kumar Mathur Independent Director	12.54	5.27
Mr. V.T. Bharadwaj Independent Director	9.86	4.14

Notes:

a) Remuneration comprises of salary and perquisites.

b) Independent Directors received remuneration by way of commission and sitting fees for attending the Board and Committees meetings.

c) No remuneration has been paid to Mr. G.V. Ravishankar, Non-Executive Nominee Director.

d) Mr. G.V. Ravishankar resigned from the Board of Directors of the Company with effect from 2nd November, 2022.

e) Mr. Bharat Singh has been appointed as Non-Executive Nominee Director on the Board of Directors of the Company with effect from 3rd November, 2022.

f) No remuneration has been paid to Mr. Bharat Singh, Non-Executive Nominee Director.

2. PERCENTAGE INCREASE/(DECREASE) IN THE REMUNERATION OF EACH DIRECTOR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2022-23 IS AS UNDER:

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase/(decrease) in remuneration
Mr. Arvind Mehta Chairman and Executive Director	90.00	9.09%
Mr. Amit Kumat Managing Director and Chief Executive Officer	90.00	9.09%
Mr. Apoorva Kumat Executive Director (Operations)	90.00	9.09%
Mrs. Anisha Motwani Independent Director	12.00	(8.40%)
Mr. Vineet Kumar Kapila Independent Director	10.10	(26.28%)
Mr. Chetan Kumar Mathur Independent Director	12.54	(14.46%)

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase/(decrease) in remuneration
Mr. V.T. Bharadwaj Independent Director	9.86	(21.87%)
Mr. Sumit Sharma Chief Financial Officer	61.32	12.70%
Mr. Om Prakash Pandey Company Secretary and Compliance Officer	30.60	10.79%

Notes:

a) Remuneration comprises of salary, allowance, perquisites, contribution to provident fund and leave encashment paid.

b) Independent Directors received remuneration by way of commission and sitting fees for attending the Board and Committees meetings.

c) No remuneration has been paid to Mr. G.V. Ravishankar, Non-Executive Nominee Director.

d) Mr. G.V. Ravishankar resigned from the Board of Directors of the Company with effect from 2nd November, 2022.

e) Mr. Bharat Singh has been appointed as Non-Executive Nominee Director on the Board of Directors of the Company with effect from 3rd November, 2022.

f) No remuneration has been paid to Mr. Bharat Singh, Non-Executive Nominee Director.

3. The percentage increase in the median remuneration of employees in the financial year 2022-23 was 16.91%. The median remuneration of employees is ₹ 2.38 lakhs for the financial year 2022-23.

4. There were total 1,503 permanent employees on the roll of the Company as on 31st March, 2023.

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2022-23 was 11.57%. There was no increase in the remuneration of managerial personnel in the financial year 2022-23. The increase in the salary of the employees was an increment as per the Policy of the Company guided by various factors such as inflation, talent retention, reward for individual performance and the overall performance of the Company. Since, there is no increase in the remuneration of managerial personnel hence, the comparison of average percentage increase made in the salaries of employees other than the managerial personnel with the percentage increase in the managerial remuneration and justification thereof is not applicable.

6. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

7. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2023:

Sr. No.	Name and Designation	Age (in years)	Remuneration (₹ in lakhs)	Qualification	Experience (in years)	Last employment	Commencement of employment
1.	Mr. Rakesh Chauhan, President – Sales	53	114.14	BSc., PG Diploma in Marketing and Business Management	32	Haldiram Snacks Private Limited	01.01.2022
2.	Mr. Sumit Sharma, Chief Financial Officer	46	61.32	Chartered Accountant and B.Com	21	L&T Case Equipment Private Limited	15.02.2012
3.	Mr. Awadh Bihari Singh, General Manager Sales – East	61	48.06	Bachelor's Degree in Science (Hons).	35	Chhajed Food (I) Limited	01.01.2005
4.	Mr. D.V. Praveen Kumar, Business Head – South	56	45.28	Bachelor's Degree in Commerce	35	PepsiCo-Atlas Dina Co.	20.11.2018
5.	Mr. Ankur Verma, Business Head - (North & East) & Avadh	33	36.95	B. Tech (IT), PGDMA	9	N.A.	01.04.2014

Sr. No.	Name and Designation	Age (in years)	Remuneration (₹ in lakhs)	Qualification	Experience (in years)	Last employment	Commencement of employment
6.	Mr. Rishabh Singh, Business Head – West & South	33	36.49	Master of Business Administration (General Marketing)	9	Pidilite Industries Limited	01.01.2019
7.	Mr. Abhijit Singh, Regional Zonal Sales Head - East	34	36.04	Master of Management Studies (Marketing)	9	ABD India Private Limited	20.06.2014
8.	Mr. Om Prakash Pandey, Company Secretary and Compliance Officer	40	30.60	Company Secretary, LLB and B.Com	17	Universal Cables Limited	03.10.2018
9.	Mr. Mahesh Purohit, General Manager Sales – West	53	29.82	Bachelor's Degree in Commerce	26	Candico (I) Limited	05.01.2006
10.	Mr. Sunil Sharma, Zonal Sales Manager	47	25.41	Master of Business Administration (Sales & Marketing)	23	Parle Agro Private Limited	10.12.2021

Notes:

a) Remuneration comprises of salary, allowance, perquisites, contribution to provident fund and leave encashment paid.

b) None of the above employees is related to any Director of the Company and does not hold, along with his wife and dependent children, more than 2% of the equity shares of the Company.

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Arvind Mehta
Chairman and Executive Director
DIN: 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN: 02663687

Place: Indore
Date: 26th May, 2023

ANNEXURE-V

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[As per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

The Company continued its drive towards the conservation of energy in all the areas of its operations by improving operational efficiency and reducing energy and water consumption. Additionally, while undertaking modernisation and technological upgradation of production facilities, due consideration is also given in selection of plant and machinery which conforms to the best in class energy conservation parameters. The key initiatives undertaken during the year under review for conservation of energy are:

(i) Steps taken or impact on conservation of energy:

- Installation of automatic Speed Controller in Air compressor to minimize the electricity consumption in all units.
- Individually monitoring of each electrical panel's power factor by our internal maintenance team to avoid power factor penalties.
- Replacements of old generation motors with latest generation high efficiency motors.
- Shifting of all street light load on solar light to save electricity in Indore unit.
- Provided limit switches on all door to save electricity of door air curtain running in Kolkata unit.
- Optimise UPS load to optimise UPS power factor and battery cost optimisation.
- Torque optimisation on all high capacity motor for optimising electrical energy consumption.
- Sensor based monitoring of HVAC for HVAC load optimisation.

(ii) Steps taken by the Company for utilising alternate sources of energy:

- Bio-gas (Methane: 0-60%, CO_2: 30-45%, H_2S: 0.5%) 37 M^3/hr. has been generated from new installed ETP plant which is being utilise in manufacturing process.
- 450Kwatt energy extraction from Indore Chips line and shift all HVAC load to it.
- Use of bio-mass briquettes for generating heat for manufacturing process in Indore plant and one of the third party manufacturing locations.
- We are using solar power in our biggest manufacturing facility at Indore. During the financial year 2022-23, almost 26.72% of power need of the Indore plant has been fulfilled by solar power.
- Commissioned of Solar power plant in our Sweet snacks plant at Indore in the financial year 2022-23.

(iii) Capital investment on energy conservation equipment:

Capital expenditure on energy conservation equipment's is not separately accounted.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

The Company is continuously putting its efforts toward absorption and development of technology. The key initiatives undertaken during the year under review towards technology absorption are:

- Replacement of wire mesh conveyor with flat belt conveyor in Rings line in Indore unit, which help in reducing changeover time to half than the existing.
- Design level modification in Rings die, which is expected to reduce cost of consumable to 1/10th than the existing.
- Secondary packaging automation to reduce dependency of manpower.
- Replacement of oil spray pump for reducing the consumption of silicon tube.
- Shifting printing technology from TTO to TIJ to reduce printing cost to half with better print quality.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Reduction in printing cost of printing manufacture date, batch number etc. on product laminates.
- Cost reduction in spares consumption.
- Manpower reduction at toy insertion at Indore unit operations.
- Cost reduction in potato storage by redefining storage model.
- Improvement in corn yield in Rings unit operations in Indore.
- Higher productivity and lesser production cost.
- Improved hygienic condition and consistency in quality.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported any technology in last three years reckoned from the beginning of the financial year, hence, nothing to report under this section.

(iv) Expenditure incurred on Research and Development:

As research and development is part of the ongoing quality control and manufacturing costs, the expenditure is not separately allocated and identified.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the foreign exchange outgo in terms of actual outflows was Nil while foreign exchange earned in terms of actual inflows was ₹ 79.14 lakhs.

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Arvind Mehta Chairman and Executive Director DIN: 00215183	**Amit Kumat** Managing Director and Chief Executive Officer DIN: 02663687

Place: Indore
Date: 26th May, 2023

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of Company

1.	**Corporate Identification Number (CIN) of the Company:**	L15311MP2009PLC021746
2.	**Name of the Company:**	Prataap Snacks Limited
3.	**Year of incorporation:**	23rd March, 2009
4.	**Registered office address:**	Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India
5.	**Corporate address:**	Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India
6.	**E-mail id:**	complianceofficer@yellowdiamond.in
7.	**Telephone:**	0731-2439999
8.	**Website:**	www.yellowdiamond.in
9.	**Financial Year for which reporting is being done:**	1st April, 2022 to 31st March, 2023
10.	**Name of the Stock Exchange(s) where shares are listed:**	a) BSE Limited b) National Stock Exchange of India Limited
11.	**Paid-up Capital (in ₹ lakhs):**	1,172.65
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**	Mr. Om Prakash Pandey Company Secretary and Compliance Officer Tel.: 0731-2439911 E-mail: complianceofficer@yellowdiamond.in
13.	**Reporting boundary**	Disclosures made in this report are on a standalone basis and pertain only to Prataap Snacks Limited

II. Products/Service

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1.	Manufacturing	Potato chips, Namkeen and other snacks Sweet snacks like cakes and pies	99.67%

15. Products/Services sold by the Company (accounting for 90% of the Company's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Potato chips, Namkeen and other snacks	1030	97.34%

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	7 owned plants and 8 third-party plants	4	19
International	-	-	

The Company owned plants are in Indore - Madhya Pradesh (2), Guwahati – Assam (2), Bengaluru – Karnataka (1), Howrah - West Bengal (1) and Jamnagar – Gujarat (1).

The Third-party plants are in Bengaluru – Karnataka (1), Hooghly – West Bengal (1), Howrah - West Bengal (1), Hisar – Haryana (1), Karnal – Haryana (1), Patna – Bihar (1), Kanpur – Uttar Pradesh (1) and Medchal Mandal – Telangana (1).

The Registered and Corporate office of the Company is same and located in Indore plant, hence not shown separately under number of offices column.

The Regional offices of the Company are located in Mumbai – Maharashtra (1), New Delhi – Delhi (1), Kolkata – West Bengal (1) and Bengaluru- Karnataka (1).

17. Market served by the Company:

a. Number of locations

Locations	Number
National (No. of States)	27 States and 4 Union Territories
International (No. of Countries)	3 Countries (Bhutan, Kuwait and Canada)

b. What is the contribution of exports as a percentage of the total turnover of the Company?

Contribution of exports during the financial year ended 31st March, 2023: 0.06%

c. A brief on types of customers:

Our Company is a leading Indian Snack Food Company. The Company reaches consumers through its wide network of over 5200 Super / Sub Distributors (customers) and over 2.20 million retail touchpoints.

IV. Employees

18. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
			EMPLOYEES			
1.	Permanent* (D)	1503	1490	99.14%	13	0.86%
2.	Other than Permanent** (E)	2217	2216	99.96%	1	0.05%
3.	**Total Employees (D+E)**	**3720**	**3706**	**99.62%**	**14**	**0.38%**
			WORKERS			
1.	Permanent* (F)	-	-	-	-	-
2.	Other than Permanent*** (G)	1729	1379	79.76%	350	20.24%
3.	**Total Workers (F+G)**	**1729**	**1379**	**79.76%**	**350**	**20.24%**

*Permanent Employees include the employees who are On-Roll.

**Other than Permanent Employees include Temporary, Contractual and Third-Party Employees etc.

***Other than Permanent Workers include Contractual Labour.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	6	6	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled Employees (D+E)**	**6**	**6**	**100%**	**-**	**-**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED WORKERS					
1.	Permanent (F)	-	-	-	-	-
2.	Other than Permanent (G)	-	-	-	-	-
3.	**Total differently abled Workers (F+G)**	**-**	**-**	**-**	**-**	**-**

19. Participation/ Inclusion/Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5%
Key Management Personnel	5	0	-

20. Turnover rate for permanent employees and workers:

	FY 2022-23			FY 2021-22			FY 2020-21*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	40%	0%	40%	38%	0%	37%	11%	0%	11%
Permanent Workers**	-	-	-	-	-	-	-	-	-

*The percentage of turnover of Permanent Employees for FY 2020-21 exclude permanent employees of Avadh Snacks Private Limited (Avadh), as Avadh has been merged with the Company as per the Scheme of Amalgamation duly sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench and Hon'ble National Company Law Tribunal, Indore Bench and the appointed date of the Scheme is 1st April, 2021.

**The Company does not have Permanent Workers.

V. Holding, Subsidiary and Associate Companies (Including Joint ventures)

21. (a) Name of holding/ subsidiary/ associate companies/ joint ventures:

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed Company	Does the Company indicated at column A, participate in Business Responsibility initiatives of the listed Company? (Yes/No)
		Nil		

During the year under review, the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT, Ahmedabad Bench") vide its order dated 10th February, 2023 and Hon'ble National Company Law Tribunal, Indore Bench ("NCLT, Indore Bench") vide its order dated 3rd March, 2023, suo-moto amended on 15th March, 2023 have sanctioned the Scheme of Amalgamation of Avadh Snacks Private Limited ("Transferor Company 1") and Red Rotopack Private Limited ("Transferor Company 2") with Prataap Snacks Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme"). The certified copy of order of NCLT, Ahmedabad Bench has been filed with the Registrar of Companies, Ahmedabad by the Transferor Companies on 14th March, 2023 and the certified copy of order of NCLT, Indore Bench has been filed with the Registrar of Companies, Gwalior by the Company on 29th March, 2023. Accordingly, the Scheme has become effective from 29th March, 2023 and Avadh Snacks Private Limited and Red Rotopack Private Limited, the subsidiaries are merged with the Company with effect from 29th March, 2023. As on 31st March, 2023, there is no subsidiary / associate / joint venture of the Company.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹ lakhs): 1,64,170.91

(iii) Net worth (in ₹ lakhs): 67,594.58

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of the complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of the complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes***	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes*	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes*	Nil	Nil	-	2	Nil	-
Employees and workers	Yes**	Nil	Nil	-	Nil	Nil	-
Customers	Yes***	70	5	-	175	12	-
Value Chain Partners	Yes***	71	8	-	48	17	-
Other (Please specify)	-	-	-	-	-	-	-

* https://www.yellowdiamond.in/investor-relations/investor-contact/

** https://www.yellowdiamond.in/wp-content/uploads/2018/01/Vigil-Mechanism-Whistle-Blower-Policy.pdf

*** https://www.yellowdiamond.in/get-in-touch/

24. Overview of the Company's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach or mitigate the risk along-with its financial implications:

S. No.	Material issues identified	Indicate whether risk or opportunity	Rational for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	GHG Emissions	Risk	With an increase in the manufacturing capacity and to keep up with the production demand, the GHG emissions will go up.	Use of new and cleaner technology in our production and power generation would help us reduce GHG emissions.	Negative- Businesses that emit GHGs are increasingly facing increased costs for compliance with environmental regulations besides the higher cost of production.

S. No.	Material issues identified	Indicate whether risk or opportunity	Rational for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Water management	Risk	Water being a finite resource will pose a risk to the operations of our business.	In our Company, STP and ETP plants are used at our production facilities. Additionally, we are working on installing water meters across all our facilities for proper target setting. We aim to reduce consumption of fresh water in our production process by increasing usage of recycled water.	Negative- Businesses that violate water regulations can face legal liability and fines.
3.	Energy management	Opportunity	Processes and Systems are in place to ensure maximum energy efficiency and increase reliance on renewable energy resources like Solar power.	-	Positive - Any investment in energy management system and renewable energy sources will lead to positive outcomes and reduced cost in the long run.
4.	Diversity and Inclusion	Opportunity	Gender diversity and inclusion of differently abled employees in our workforce is a priority for the Company going forward.	-	Positive - Provide more employment opportunities for women and differently abled persons in our local communities, which would uplift them.
5.	Cyber Security Risk	Risk	Unauthorized personnel can access the server of the Company from remote location through hacking or virus attack, this may lead to financial and operational loss to the Company. In addition, any technical fault or system failure may also affect the business operations.	• Firewall, VPN and SSL certificate for web portal • Disaster Recovery Mechanism (DRM): Implemented real time mirroring of servers to ensure business continuity and mitigate operational risk. • Implemented Endpoint Detection and Response (EDR) and Data Leakage Prevention (DLP) for all the computers and servers.	Negative - Data breaches can lead to the loss of sensitive data, such as customer financial information or intellectual property. This can damage the Company's reputation and lead to lawsuits.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Policy and management processes									
1. a). Whether your Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b). Has the policy been approved by the Board? (Yes/No)	Yes. Policies governed by the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other policies are approved by the Managing Director and Chief Executive Officer or Functional Heads of the Company, as appropriate.								
c). Web Link of the policies, if available	#	#	#	#	#	#	#	#	#
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, to the extent applicable.								
4. Name of the national and international codes/ certifications/labels/standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle.	Our Company's manufacturing facilities are aligned with international standard ISO 22000:2018 that specifies requirements for a food safety management system.								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	Towards our endeavor to reduce our carbon footprint we have decided to take following key initiatives at the Company level: **1. Environment focused initiatives** • Adoption of Solar energy in our factories to the extent possible • Incorporation of energy efficient building designs where applicable • Increase in use of non-fossil fuels at manufacturing facilities • Implementation of automated energy management solutions wherever possible • Implementation of energy efficient devices • Minimizing freshwater requirements with the reuse of treated water from ETP and STP • Proper disposal of packaging material • Procure products which are locally sourced, more environment friendly and energy efficient								

	2. Workforce focused initiatives • Non-Discrimination & Fair Treatment to all. • Employee Health & Well-being • Women Safety • Effective Training & Development **3. Customers focused initiatives** Providing value to the consumers based on customer preferences by seeking/ capturing feedback from consumers. The Company seeks to have good quality checks and controls and regularly review distribution efficiency levels. **4. Community and Society focused initiatives** The Company aims to actively contribute to the social and economic development for evolving a sustainable society. The Company has CSR policy in place, which articulates positive contribution towards communities' economic, environmental and social well-being through its CSR activities.
6. Performance of the Company against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company is in process of implementing the identified sustainability commitments and goals.
Governance, leadership and oversight	
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements. As India's one of the leading snacks manufacturing Company, we have always remained committed to having a beneficial relationship with the environment, employees, customers, vendors, and the community at large. We are actively working towards integrating the Company's overall strategy with our ESG goals and commitments in such a manner that it reflects across our policies, products, manufacturing, and business operations.	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Amit Kumat, Managing Director and Chief Executive Officer
9. Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, to take forward our vision and attention to ESG, we have established an Environmental, Social, and Governance (ESG) team, which is a management-level team consisting of senior individuals from key functions across the Company and is led by a senior member of the management team. The team provides updates on the Company's ESG strategy and road map for achieving goals to the Risk Management Committee (RMC) of the Board of Directors. The team also works to enhance the Company's ESG disclosure to clearly display our commitment to our stakeholders.

 # Weblink of the Policies:

Principle 1: Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable:

- **Anti-Bribery and Anti-corruption Policy***
- **Whistle Blower Policy –** https://www.yellowdiamond.in/wp-content/uploads/2018/01/Vigil-Mechanism-Whistle-Blower-Policy.pdf
- **Code of Conduct for Board of Directors and Senior Management Personnel –** https://www.yellowdiamond.in/wp-content/uploads/2021/06/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management.pdf

Principle 2: Product Life Cycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe:

- **ESG Policy Framework***
- **Product Lifecycle Sustainable Policy***
- **Preservation on Environment Policy***

Principle 3: Employee Well Being: Businesses should respect and promote the well-being of all employees, including those in their value chains:

- **Prevention of Sexual Harassment of Women at workplace (POSH)***
- **Equal Opportunity Policy-** https://www.yellowdiamond.in/wp-content/uploads/2023/07/Equal-Opportunity-policy.pdf
- **Nomination And Remuneration Policy-** https://www.yellowdiamond.in/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy-1.pdf
- **ESG Policy Framework***
- **Environment, Health, and Safety Policy***

Principle 4: Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders:

- **CSR Policy -** https://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-Policy-Prataap-Snacks-1.pdf

Principle 5: Businesses should respect and promote human rights:

- **Nomination and Remuneration Policy -** https://www.yellowdiamond.in/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy-1.pdf
- **Prevention of Sexual Harassment of Women at workplace (POSH)***
- **Equal Opportunity Policy -** https://www.yellowdiamond.in/wp-content/uploads/2023/07/Equal-Opportunity-policy.pdf
- **Vigil Mechanism / Whistle Blower Policy -** https://www.yellowdiamond.in/wp-content/uploads/2018/01/Vigil-Mechanism-Whistle-Blower-Policy.pdf
- **ESG Policy Framework***
- **Code of Conduct for Board of Directors and Senior Management Personnel –** https://www.yellowdiamond.in/wp-content/uploads/2021/06/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management.pdf
- **Environment, Health, and Safety Policy***

Principle 6: Environment: Businesses should respect and make efforts to protect and restore the environment:

- **ESG Policy Framework***
- **Preservation of Environment Policy***
- **Enterprise Risk Management Policy***
- **Environment, Health, and Safety Policy***

Principle 7: Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:

- **Responsible Advocacy Policy***

Principle 8: Inclusive Growth: Businesses should promote inclusive growth and equitable development:

- **CSR Policy -** https://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-Policy-Prataap-Snacks-1.pdf
- **ESG Policy Framework***

Principle 9: Customer/Consumer Value: Businesses should engage with and provide value to their consumers in a responsible manner:

- **ESG Policy Framework***
- **Consumer / Customer Value Policy***

*The Policies are available internally with the Company and shared with internal & external stakeholders as and when required.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether Review was Undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes. The policies of the Company are reviewed periodically or on a need basis by department heads, business heads, or the functional heads. During the review, the efficacy of the policy is reviewed, and necessary changes are implemented.									Periodically								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all the applicable statutory requirements.									As stipulated by applicable laws								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company does not consider the principles material to its business	Not Applicable								
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles									
The Company does not have the financial or/human and technical resources available for the task									
It is planned to be done in the next financial year									
Any other reason (Please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	NGRBC principles and BRSR Reporting	100%
Key Managerial Personnel			
Employees other than BoD and KMPs	Multiple trainings across our plants	At our Company, we conduct training and awareness programs on Company's Code of Conduct and other important policies like POSH, Anti-corruption – Anti Bribery etc. Additionally, we regularly conduct Environment, Health & Safety trainings such as Fire Fighting & Safety, First Aid and CPR Training, Road Safety etc.	~100%
Workers			

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the Company or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year.

(Note: The Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the Company's website):

During the financial year 2022-23, no fines/penalties/punishment/award/compounding fees/settlement amount was paid in proceedings (by the Company or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions.

	Monetary				
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine	Not Applicable				
Settlement					
Compounding fees					

	Non-Monetary			
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of regulatory/enforcement agencies/judicial institutions
Not Applicable	

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, as a responsible organization we are committed to maintaining the highest standards of ethical conduct and business integrity. We have Anti-Corruption Compliance Policy that is designed to prevent and detect any instances of bribery or corruption within our operations.

This policy applies to all directors, employees and affiliates of our organization. We do not tolerate any form of bribery or corruption, whether it involves offering or receiving improper benefits or gifts, manipulating business decisions, or engaging in any other activity that undermines the integrity of our business operations.

We are committed to promoting a culture of transparency, accountability and ethical behaviour throughout our organization and among our business partners. By adhering to our anti-corruption policy, we are committed to maintaining the trust of our customers, employees and stakeholders and upholding the utmost standards of ethical conduct in all our business operations.

The policy is available internally with the Company and shared with external stakeholders as and when required.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	None	None
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the Company, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	3.07%	29.70%	The Company has installed an Effluent Treatment Plant at its Indore Unit and Solar Power Plant at its Tillore Unit.

2.a. Does the Company have procedures in place for sustainable sourcing? (Yes/No)

Yes. We have a process in place for sustainable sourcing. We prefer to select suppliers/vendors based on their commitment towards factors like Human rights, Health & safety, Business Ethics and Environment policy.

b. If yes, what percentage of inputs were sourced sustainably?

Since we have process in place for sustainable sourcing, hence, we prefer to select our suppliers / vendors by applying the principles of sustainable sourcing at the vendor selection stage across the supply chain and accordingly a major portion of our inputs are sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We have prepared an action plan to comply with Plastic Waste Management Rules, 2016, as amended from time to time and accordingly, we have appointed CPCB authorized waste management agencies to collect plastic waste in collaboration with the urban local bodies and waste collector communities to strengthen the collection, segregation, and recycling of plastic waste. This process involves activities like collection, segregation of waste, setting up dry waste collection center, mechanism to dispose waste and recycling and creation of awareness on Plastic Waste Management.

Since we have presence in multiple states, therefore, we have developed a collection mechanism to collect and recycle post-consumer plastic packaging waste across India.

4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we have achieved Plastic Neutrality in FY 2022-23 by implementing an integrated EPR Action Plan for collect-back of Post-Consumer Plastic Packaging Waste as per Plastic Waste Management Rules, 2016 and subsequent amendments, through unique and multidimensional initiatives. Across India, we have collected and sustainably treated more than 6000 tonnes of plastic waste. We were able to reach the milestone of Plastic Neutrality since the quantity of plastic managed was greater than the quantity of plastic packaging used by the Company throughout the year.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	Total (A)	% of Employees covered by									
		Health insurance*		Accident insurance*		Maternity benefits		Paternity benefits**		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1490	1490	100%	1490	100%	-	-	-	-	1490	100%
Female	13	13	100%	13	100%	13	100%	-	-	13	100%
Total	**1503**	**1503**	**100%**	**1503**	**100%**	**13**	**100%**	**-**	**-**	**1503**	**100%**
Other than Permanent employees											
Male	2216	461	21%	1310	59%	-	-	-	-	2216	100%
Female	1	-	-	1	100%	1	100%	-	-	1	100%
Total	**2217**	**461**	**21%**	**1311**	**59%**	**1**	**100%**	**-**	**-**	**2217**	**100%**

*All employees are either covered under ESI (wherever ESI facility is available) or Group Health Insurance & Group Accident Insurance or Workmen Compensation.

**Not Applicable, as we don't have a policy for Paternal Leave.

b. Details of measures for the well-being of workers:

Category	Total (A)	% of Workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits***		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers*											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent workers**											
Male	1379	1379	100%	1379	100%	-	-	-	-	1379	100%
Female	350	350	100%	350	100%	350	100%	-	-	350	100%
Total	**1729**	**1729**	**100%**	**1729**	**100%**	**350**	**100%**	**-**	**-**	**1729**	**100%**

* The Company does not have Permanent Workers.

**All workers are either covered under ESI (wherever ESI facility is available) or Group Health Insurance & Group Accident Insurance or Workmen Compensation.

***Not Applicable, as we don't have a policy for Paternal Leave.

2. Details of retirement benefits for FY 2022-23 and FY 2021-22:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	100%	100%	Y
Others- please specify	-	-	-	-	-	-

*All eligible employees and workers on whom ESI is applicable as per ESI Act, 1948 are covered under ESI. For the business location, which does not come under purview of ESI, the workforce is covered through workmen compensation.

3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

We are working towards making our plants and offices more accessible to differently abled persons.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? (Yes/No). If so, provide a web-link to the policy.

Yes, our Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The policy applies to the entire establishment and aims to promote inclusiveness and strives to maintain a work environment that is free from any harassment or discrimination of persons with disability. The same is uploaded on our website and the weblink of the same is https://www.yellowdiamond.in/wp-content/uploads/2023/07/Equal-Opportunity-policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not Applicable, as we don't have a policy for Paternal Leave.			
Female	None of our permanent female employees and workers had availed Maternal Leaves during the reporting period.			

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	At our Company, we have processes in place for receiving and handling grievances. We strive to make sure that it is fair, transparent and accessible to all employees and workers, regardless of their position or seniority within the organization. The process includes the following steps: 1. **Complaint Submission:** Employees and workers can submit their grievances through a designated complaint box or email. The complaint can be submitted anonymously, and the identity of the complainant is kept confidential. 2. **Grievance Evaluation:** Once a complaint is received, it is evaluated by a designated grievance officer. The officer assesses the validity of the complaint and determines whether it requires further investigation or action. 3. **Investigation and Action:** If the complaint is found to be valid, the officer initiates an investigation and takes appropriate action to resolve the grievance. This may involve conducting interviews, collecting evidence, and consulting with relevant stakeholders to determine the appropriate course of action. 4. **Communication and Follow-up:** The officer communicates the findings of the investigation and the action taken to the complainant. We also provide regular training and awareness programs to our employees and workers on the mechanism and their rights and obligations under it. This ensures that all employees and workers are aware of the process for raising grievances and the steps involved in resolving them.

7. Membership of employees and worker in association(s) or unions recognized by the Company:

There are no unions / associations in the Company to which employees and workers are affiliated.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On Skill upgradation		Total (D)	On health and safety measures		On Skill upgradation	
		No.(B)	%(B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	3706	3706	100%	159	4%	1923	171	9%	174	9%
Female	14	14	100%	4	29%	7	5	71%	4	57%
Total	**3720**	**3720**	**100%**	**163**	**4%**	**1930**	**176**	**9%**	**178**	**9%**
Workers										
Male	1379	1379	100%	16	1%	1820	296	16%	170	9%
Female	350	350	100%	30	9%	329	123	37%	53	16%
Total	**1729**	**1729**	**100%**	**46**	**3%**	**2149**	**419**	**19%**	**223**	**10%**

9. Details of performance and career development reviews of employees and worker:

In our Company, salary increment of the employees is guided by various factors such as inflation, talent retention, reward for individual performance and the overall performance of the Company. Further, management is working towards implementing a formal performance and career development review system.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total	No. (D)	% (D/C)
Male	1490	887	60%	1463	884	60%
Female	13	13	100%	6	6	100%
Total	**1503**	**900**	**60%**	**1469**	**890**	**61%**
			Workers**			
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

*We have considered only Permanent Employees.
**The Company does not have Permanent Workers.

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the Company? (Yes/No). If yes, the coverage of such a system?**

The safety of people in the workplace is a primary concern of the Company. The Company has taken steps to provide the employees and workers with a safe and healthy work environment by implementing safety measures like emergency exits, fire alarms, fire extinguishers, etc. Further, the Company trains its employees and workers on safety protocols and conducts periodic training on fire safety and evacuation drills for employees and workers at its all plant locations.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company?**

The processes used by the Company to identify work-related hazards in the workplace includes regular inspections and walk-throughs to visually assess types of equipment, work practices and any potential hazards that could be harmful to employees and workers.

c. **Whether the Company has processes for workers to report the work-related hazards and to remove themselves from such risks.** (Yes/No)

Yes, we encourage our employees and workers to constantly keep a watch and report any work-related hazards to their supervisors / managers or through a complaints box.

d. **Do the employees / workers of the Company have access to non-occupational medical and healthcare services?** (Yes/No)

Yes, employees and workers have access to non–occupational medical and healthcare services. We have a dispensary manned 24/7 with medical practitioners to provide any medical assistance to our employees and workers while they are at work. We also have ambulances stationed in our plants to support any medical emergencies. Further, we have Mediclaim Insurance policy and Group Term life insurance policy for our employees and workers are covered under workmen compensation.

11. Details of safety related incidents:

Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures to prevent recurrence. Learning from all accidents are disseminated across the organization.

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	0.24
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the Company to ensure a safe and healthy workplace.

At our Company, we take several measures to ensure a safe and healthy workplace for our employees and workers. Some of the key measures include:

1. **Safety Policies and Procedures:** We have established comprehensive safety policies and procedures that outline the guidelines for safe work practices. We ensure that all employees and workers are trained in these policies and procedures and comply with them.

2. **Workplace Safety Training:** We provide regular training to our employees and workers on workplace safety, including safe work practices, proper use of equipment, and emergency response procedures.

3. **Incident Reporting and Investigation:** We have established a system for incident reporting and investigation, where employees and workers can report incidents and accidents, and we investigate the root cause to prevent recurrence.

13. Number of Complaints on the following made by employees and workers:

Our Company endeavors to provide the safest workplace for all its employees and workers. The employees and workers can lodge their complaints on working conditions and health and safety matters through the complaint box placed at each plant premises.

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions		Nil			Nil	
Health & Safety		Nil			Nil	

14. Assessments for the year:

	% of your plants and offices that were assessed (by Company or Statutory Authorities or Third Parties)
Health and safety practices	We assess most of our plants internally on a regular basis on health and safety practices and working conditions.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No such incidents were reported during the year.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the Company:**

   Our Company's stakeholders are those who are affected by the Company's activities, either directly or indirectly. They can also impact the Company's ability to create value in the short, medium, and long term. Our relationships with stakeholders are based on mutual trust and understanding of their priorities in creating overall value. The Company has identified stakeholders like customers/ consumers, investors, shareholders, value chain partners, distributors, vendors, employees, lenders/banking partners, government/regulatory bodies and community (residents residing in vicinity of plants).

2. **List stakeholder groups identified as key for your Company and the frequency of engagement with each stakeholder group:**

Stakeholders Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement. Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/ Half yearly/ quarterly/ others- please specify)	Purpose and scope of engagement including Key topics and concerns raised during such engagement
Customers / Consumers	No	Website, Surveys, Marketing activities, Social Media, Pamphlets, Advertisement	Continuous	Customers' / Consumers' needs, business challenges and opportunities
Investors	No	Email, Meetings/Conferences, Media, Website, Press Release, Advertisement	Annually/ Half yearly/ Quarterly and Event based engagement	Financial Performance, Business Development, Queries and Dividend
Shareholders	No	Email, SMS, Meetings, Website, Press release, Advertisement	Annually/ Half yearly/ Quarterly and Event based engagement	Financial performance, Queries and Dividend
Value Chain Partners	No	Meetings, Phone, Emails	Ongoing / Need Basis	Business volume, Customer Expectation, Sustainability, Supply chain issues
Distributors	No	Meetings, Phone, Emails	Ongoing / Need Basis	Sales planning, Distribution expansion, Delivery and Dispatch planning, Product and retailer feedback
Vendors	No	Meetings, Phone, Emails,	Ongoing / Need Basis	Business matters, Collaboration with Vendors
Employees	No	Induction Programme, Emails, Notice Board, Training, Personal / Group Interaction, HR support	Ongoing / Need Basis	Career growth, Professional development, Training, Health & Safety and Work practices
Lenders / Banking Partners	No	Meetings, Phone, Emails	Ongoing / Need Basis	Facilitate the funding requirements for business and financial transactions
Government/ Regulatory Bodies	No	Filings, Meetings, Letters, Emails	Need Basis	Reporting requirements, Statutory compliances
Community (Residents residing in vicinity of Plants)	Yes	Community development initiatives - CSR projects, Website	Need Basis	Uplifting of livelihood of community in which Company operates its business

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:**

Category	FY 2022-23			FY 2021-22		
	Total(A)	No. of employees/ workers covered(B)	% (B/A)	Total(C)	No. of employees/ workers covered(D)	% (D/C)
Employees						
Permanent	1503	1503	100%	1469	1469	100%
Other than permanent	2217	2217	100%	461	461	100%
Total Employees	**3720**	**3720**	**100%**	**1930**	**1930**	**100%**
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	1729	1729	100%	2149	2149	100%
Total Workers	**1729**	**1729**	**100%**	**2149**	**2149**	**100%**

2. **Details of minimum wages paid to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total(A)	Equal to minimum wage		More than minimum wage		Total(D)	Equal to minimum wage		More than minimum wage	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Employees										
Permanent										
Male	1490	NA	NA	1490	100%	1463	NA	NA	1463	100%
Female	13	NA	NA	13	100%	6	NA	NA	6	100%
Other than Permanent										
Male	2216	NA	NA	2216	100%	460	NA	NA	460	100%
Female	1	NA	NA	1	100%	1	NA	NA	1	100%
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	1379	NA	NA	1379	100%	1820	NA	NA	1820	100%
Female	350	NA	NA	35	100%	329	NA	NA	329	100%

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in lakhs)	Number	Median remuneration/ salary/wages of respective category (₹ in lakhs)
Board of Directors (BoD)	7	12.54	1	12.00
Key Managerial Personnel (KMP)	5	90.00	-	-
Employees other than BoD and KMP	1488	2.53	13	2.88

4. Do the Company has a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have established internal mechanisms to address grievances related to human rights issues. We believe that respecting and promoting human rights is essential for the success of our business and we are committed to ensuring that all stakeholders, including our employees, workers and suppliers are treated with dignity and respect.

Some of the internal mechanisms that we have in place to redress grievances related to human rights issues include:

1. **Complaint Mechanisms:** We have procedures for employees, workers and suppliers to report grievances related to human rights issues. These include placement of complaint / suggestion boxes in the plants and complaint / suggestions through email.
2. **Training and Awareness:** We provide regular training and awareness programs to our employees and workers on human rights issues. This helps ensure that everyone understands their rights and responsibilities and can identify potential human rights violations.
3. **Investigation and Remediation:** We investigate all complaints related to human rights issues thoroughly and take appropriate remedial action, if necessary. This may include disciplinary action against employees or termination of contracts with suppliers who violate the human rights policies.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at Workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Discrimination and harassment in the workplace can have serious consequences for the complainant. To prevent adverse consequences, we follow the following mechanism:

1. **Confidentiality:** Complaints related to discrimination and harassment are handled with utmost confidentiality to protect the complainant's privacy and prevent retaliation. Only individuals directly involved in investigating and resolving the complaint have access to the information.
2. **Anti-Harassment Policy:** POSH policy has been established that clearly outlines the Company's stance on harassment. This policy defines what constitutes harassment, and the procedures for reporting and addressing complaints.

Further, our whistle blower policy has clearly laid down the guidelines to prevent retaliation against a complainant. A complainant is saved from physical harm, loss of job, punitive work assignments, or impact on salary or wages.

8. **Do human rights requirements form part of your business agreements and contracts?**

Yes.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by Company or Statutory Authorities or Third parties)
Child Labour	100% (We assess our plants and offices internally)
Forced Labour/ Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others-Please specify	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There was no need to take any corrective actions as no significant concerns or risks were identified during these assessments.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter (in GJ)	FY 2022-23	FY 2021-22
Total energy consumption(A)	71,939.73	67,716.64
Total fuel consumption(B)	2,04,181.47	1,67,459.91
Energy consumption through other sources (C)	-	-
Total energy consumption(A+B+C)	2,76,121.21	2,35,176.55
Energy intensity per lakh rupees of turnover (Total energy consumption/Turnover in lakhs rupees)	1.68	1.70

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable.

3. Provide details of the following disclosures related to water:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	44,584	40,410
(iii) Third party water	1,121	1,102
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	45,705	41,512
Total volume of water consumption (in kilolitres)	45,705	41,512
Water intensity per lakh rupees of turnover (kilolitres of water consumed/turnover in lakhs rupees)	0.28	0.30

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.

No.

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Water being a scarce and invaluable natural resource, we are strongly committed to its conservation through the 3R (Reduce, Reuse, Recycle) strategy. We are committed to achieving zero liquid discharge (ZLD) across all our plants as part of our environmental sustainability program. This means that we aim to eliminate the discharge of any liquid waste into the environment and instead, recycle and reuse all wastewater generated by our operations.

To achieve this goal, we have implemented a comprehensive wastewater treatment system (ETP) that utilizes advanced technologies to treat the wastewater from our production processes. This system involves a series of physical, chemical, and biological processes that remove contaminants and impurities from the wastewater, ensuring that it meets or exceeds the required standards for reuse. The treated water currently is being utilized in watering plants and gardening.

5. Please provide details of air emissions (other than GHG emissions) by the Company:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	Kg	1,359.14	1,239.80
Sox	Kg	336.58	300.80
Particulate Matter (PM)	Kg	112.48	111.91
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others- Please specify (CO)	Kg	951.03	878.80

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.

No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions * (Break-up of GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	11,909.67	9,806.38
Total Scope 2 emissions ** (Break-up of GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	16,194.00	15,330.30
Total Scope 1 and scope 2 emissions per lakhs rupee of turnover	Metric tonnes of CO2 equivalent / lakhs rupees	0.17	0.18

* Computations made as per Emission factors given in IPCC 5th assessment report.

** Computations made as per Emission factor given in CPE CO2 database for Indian power sector.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.

No.

7. Does the Company have any project related to reducing Green House Gas emission? If Yes, then provide details.

As a snacks manufacturing Company, we recognize the critical role we play in reducing greenhouse gas emissions and addressing climate change. We are committed to implementing projects that aim to reduce our carbon footprint and contribute to a more sustainable future.

To achieve this goal, we have identified several projects to reduce greenhouse gas emissions from our operations. These projects include:

1. **Optimizing equipment performance and reducing wastage**: We are using bag filters at boiler to control fume emission. Also, DG Acoustic Enclosure are installed for controlling greenhouse gas emission. This will not only reduce greenhouse gas emissions but also reduce the amount of waste generated by our operations.

2. **Energy Efficiency Improvements**: We are investing in energy-efficient equipment which includes upgrading lighting systems by shifting to LED Lighting on our premises.

3. **Renewable Energy**: We are using the renewable energy sources at our Indore plant to reduce our dependence on fossil fuels. We have installed Solar Power Plant at Tillore unit, Indore.

By implementing these projects, we aim to reduce our greenhouse gas emissions and contribute to a more sustainable future for our business and the community. We are committed to regularly monitoring and reporting our progress towards our emissions reduction targets and continually improving our operations to minimize our environmental impact.

8. Provide details related to waste management by the Company:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (In metric tonnes)		
Plastic waste(A)	6,117.20	3,159.60
E-waste(B)	0.03	0.65
Bio-medical waste(C)	1.50	2.40
Construction and demolishment waste(D)	79.35	52.33
Battery waste(E)	6.78	0.55
Radioactive waste(F)	-	-
Other Hazardous waste (G) (Compressor Oil, DG Oil, Used Oil)	1.41	0.36

Parameter		FY 2022-23	FY 2021-22
Other Non-hazardous waste generated(H) (Corrugated Waste, Cooking Oil, Solid Waste, Biodegradable Poly Bags, Jute Bags, Thermofluidic Oil & Process Waste)		206.07	204.43
Total (A+B+C+D+E+F+G+H)		**6,412.35**	**3,420.32**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i)	Recycled	6334.43	3367.56
(ii)	Reused	-	-
(iii)	Other recovery operations	-	-
Total		**6334.43**	**3367.56**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i)	Incineration	-	-
(ii)	Landfilling	75	50
(iii)	Other disposal operations	-	-
Total		**75**	**50**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No.

9. Briefly describe the waste management practices adopted in the Company. Describe the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in the products and processes and the practices adopted to manage such wastes.

E-waste generated is transferred to the main unit in Indore and from there it is collected by authorized recyclers.

To reduce the usage of hazardous and toxic chemicals in our products and processes, we have implemented a stringent chemical management system. This system involves identifying and assessing the potential risks associated with chemicals used in our operations and adopting safer alternatives wherever possible.

Used oil from DG and Thermo fluid from boiler are sold to authorized parties who further recycle it after processing.

Process waste, Solid sludge from ETP (Potato skin), corrugated boxes and waste poly and jute bags are also sold to authorized dealers for proper recycling. Biological sludge is used as compost in gardening.

We also train our employees on proper handling, storage, and disposal of waste. We regularly monitor and audit our waste management practices, ensuring compliance with applicable regulations and best practices. We also aim to continuously improve our waste management to minimize our environmental impact and promote a more sustainable future for our business and the community.

10. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

S No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
		Not Applicable	

11. Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current financial year:

Name and brief details of projects	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

12. Is the Company compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Our Company's existing operations/offices comply with applicable environmental regulations both Central/ National and of the respective states and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards.

S. No.	Specify the law/ regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Our Company works with major industry chambers/ associations and professional bodies that are engaged in policy advocacy as well as various other forums. During the year, the Company has active affiliations with 4 such trade and industry chambers/ associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the Company is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Sweet & Namkeen Manufacturers	National
2.	Confederation of Indian Industry	National
3.	Bommasandra Jigni Link Road Industries Association	State
4.	WeCare (Waste Efficient Collection and recycling efforts)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

The Company has not engaged in any anti-competitive conduct.

Name of Authority	Brief of the Case	Corrective action taken
Not Applicable		

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current financial year.**

   The Company has not undertaken any SIAs in the financial year 2022-23.

Name and brief details of projects	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company.**

   There is no project for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company has defined a process to ensure all the complaints and feedback from all stakeholders including communities are received and addressed. It includes a dedicated email id and toll-free number on its website. Our dedicated team of Operational Excellence manages all the complaints and feedback to ensure a timely response.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

   The Company supports local and small suppliers (MSMEs) by procuring goods and services in proximity to its offices/ locations. First Preference is given to local vendors to the extent possible.

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	11.89%	9.70%
Sourced directly from within the district and neighboring districts*	36.73%	35.30%

*We have considered within state purchases across all locations as purchases sourced directly from within the district and neighboring districts.

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

   We have a Complaint Mechanism System for our consumers. We have dedicated telephones lines and email id for our consumers for filing their complaints and feedback with us. Our dedicated team of Operational Excellence will listen and read, probe, and record the complaints and then escalate the complaint to the Quality Control (QC) head of unit concerned. Thereafter, the root cause analysis is done by the QC team and Operational Excellence team if required. Our QC team will prepare the CAPA (Corrective and Preventive Action) document and based on that we implement and validate corrective actions and then send the closure message or email to the consumer.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

   The products of the Company contain all relevant information as required under applicable laws.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other*	141	13	-	223	29	-

*Complaints received from Consumers and Value chain partners.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reason for recall
Voluntary Recalls	Nil	Not Applicable
Forced Recalls	Nil	Not Applicable

5. **Does the Company have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   The Company collects very limited data from its customers and value chain partners. However, we are committed to protecting the data hosted on our servers by implementing robust IT Security measures and controls. We also have a privacy policy which is available on our website at https://www.yellowdiamond.in/privacy/ which describes the details of how data is being handled and managed by the Company.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No issues related to such matters were reported during the year.

Report on Corporate Governance

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), the Company's Report on Corporate Governance is set out below:

COMPANY PHILOSOPHY

Corporate Governance is a necessary tool for achieving all-round business excellence which results in enhanced shareholders' value, without compromising on the need and interests of other stakeholders. The Governance of your Company is based on the three pillars, i.e. Trusteeship, Transparency and Accountability. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles which are reinforced at all levels within the Company. We do not practice Corporate Governance as an act of compliance but with the spirit of governance.

The Company's governance framework based on the aforesaid three pillars are:

a) Appropriate composition and size of the Board, with each member bringing expertise in their respective domains;

b) Availability of information to the members of the Board and its Committees to enable them to discharge their fiduciary duties;

c) Ethical conduct of Board, Senior Management and Employees; and

d) Timely and accurate disclosure of material information to the stakeholders.

Corporate Governance is not a destination but a continuous journey with an upward moving target. The Company is continuing its efforts towards raising its standard in Corporate Governance and reviewing its systems and procedures constantly in order to keep pace with the changing business environment.

BOARD OF DIRECTORS

The Board is broad-based and consists of eminent individuals from industrial, managerial, technical, financial and marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time to ensure that it remains aligned with statutory as well as business requirements.

As on 31st March, 2023, the Board of Directors of your Company comprised of eight (8) Directors. The Board has an optimum combination of executive and non-executive directors including one woman independent director. Out of total eight (8), three (3) are Executive Directors, one (1) is Non-Executive Nominee Director and four (4) are Independent Directors. As the Chairman of the Board is not a regular non-executive director, the requirement of atleast half of the Board of Directors comprising of independent directors is also met. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

As mandated by Regulation 26(1) of the Listing Regulations, none of the Director on the Board is a member in more than ten (10) committees or acts as chairperson of more than five (5) committees (considering only audit committee and stakeholders relationship committee) across all public limited companies (listed or unlisted) in which he/she is a Director. All the Directors have informed about their directorship and committee membership/chairpersonship. All the Independent Directors have given a declaration that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, all Independent Directors of the Company have declared that they have complied with the provisions of sub-rules (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to inclusion of their names in the data bank of the Indian Institute of Corporate Affairs ("IICA"). The terms and conditions of appointment of Independent Directors can be accessed on the Company's web link: http://www.yellowdiamond.in/wp-content/uploads/2018/01/Terms-and-conditions-ID.pdf

The following table gives the composition and category of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting ('AGM'), number of other Board of directors or committees in which director is a member or chairperson and name of the other listed companies where he/she is a director and the category of directorship:

Name of the Director	Category	Attendance Particulars		Number of other Board of directors or committees in which director is a member or chairperson			Name of other listed companies and category of directorship
		Board Meeting	Last AGM	Directorship in other companies	Committee membership in other companies	Committee chairpersonship in other companies	
Mr. Arvind Mehta Chairman and Executive Director	Promoter, Executive	3	Yes	Nil	Nil	Nil	Nil
Mr. Amit Kumat Managing Director and Chief Executive Officer	Promoter, Executive	4	Yes	Nil	Nil	Nil	Nil
Mr. Apoorva Kumat Executive Director (Operations)	Promoter, Executive	4	Yes	1	Nil	Nil	Nil
Mr. G.V. Ravishankar	Non-Executive, Nominee (Sequoia Capital, equity investor)	0	No	N.A.	N.A.	N.A.	N.A.
Mr. Bharat Singh	Non-Executive, Nominee (Sequoia Capital, equity investor)	1	No	2	Nil	Nil	Nil
Mrs. Anisha Motwani	Non-Executive, Independent	4	No	8	9	2	Abbott India Limited (Non-Executive, Independent) Welspun India Limited (Non-Executive, Independent) Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited) (Non-Executive, Independent) Star Health and Allied Insurance Company Limited (Non-Executive, Independent)
Mr. Vineet Kumar Kapila	Non-Executive, Independent	3	No	Nil	Nil	Nil	Nil
Mr. Chetan Kumar Mathur	Non-Executive, Independent	4	Yes	Nil	Nil	Nil	Nil
Mr. V.T. Bharadwaj	Non-Executive, Independent	3	Yes	Nil	Nil	Nil	Nil

Notes:

1. Directorship in other companies exclude directorship in private limited companies, foreign companies and section 8 companies.
2. Committee membership/chairpersonship in other companies only includes Audit Committee and Stakeholders Relationship Committee in Indian public limited companies other than Prataap Snacks Limited. Membership include chairpersonship.
3. None of the Independent Directors of the Company served as an Independent Director in more than seven listed companies.
4. Brief profile of the Directors are available on the Company's website: www.yellowdiamond.in.
5. The Board in its meeting held on 20th May, 2022 has appointed Mr. Bharat Singh (DIN: 08222884) as an Alternate Director (Non-Executive Nominee Director) for Mr. G.V. Ravishankar (DIN: 02604007), Non-Executive Nominee Director of the Company. Mr. Bharat Singh shall hold office as such upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.

6. Mr. G.V. Ravishankar (DIN: 02604007) (Non-Executive Nominee Director) has resigned from the Board of Directors of the Company with effect from 2nd November, 2022.
7. Consequent to the resignation of Mr. G.V. Ravishankar (Non-Executive Nominee Director) with effect from 2nd November, 2022, the tenure of Mr. Bharat Singh (DIN: 08222884) as an Alternate Director for Mr. G.V. Ravishankar on the Board of the Company also ceased with effect from close of business hours on 2nd November, 2022.
8. The Board of Directors in its Meeting held on 3rd November, 2022 has appointed Mr. Bharat Singh (DIN: 08222884) as an Additional Director (Non-Executive Nominee Director). Subsequently, in accordance with provisions of Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the members by resolution passed through Postal Ballot on 25th December, 2022 has appointed Mr. Bharat Singh as a Non-Executive Nominee Director of the Company.

Relationship between Director inter-se

Mr. Amit Kumat and Mr. Apoorva Kumat are relatives (brother). No other Director is related to any other Director on the Board of the Company.

Share and Convertible instruments held by Non-Executive Directors

No Non-Executive Director of the Company holds any share or convertible instruments of the Company.

Skills/expertise/competencies identified by the Board of Directors required for the Company and the availability of such skills/expertise/competencies:

Sr. No.	Skills/Expertise/Competencies	Name of Directors who have skills/ expertise/competencies
1.	Understanding of Business - Sufficient understanding and knowledge of the Company and the business/sector in which it operates	All Directors
2.	Industry Experience - Experience of Packaged food industry	Mr. Arvind Mehta Mr. Amit Kumat Mr. Apoorva Kumat Mr. V.T. Bharadwaj Mr. Vineet Kumar Kapila Mr. Chetan Kumar Mathur
3.	Strategy and Planning - Contribution to new ideas/insights on business issues raised by Management - Providing thoughtful and constructive feedback to Management - Anticipating new issues that Management and the Board should consider - Demonstration of highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality etc.)	All Directors
4.	Law - Knowledge of legal/regulatory framework/affairs relating to the packaged food business	Mr. Amit Kumat
5.	Financial Knowledge - Proficiency in review of financial statements	Mr. Chetan Kumar Mathur Mrs. Anisha Motwani Mr. Vineet Kumar Kapila Mr. Bharat Singh
6.	Technical Knowledge - Technical knowledge of the business of the Company	Mr. Arvind Mehta Mr. Amit Kumat Mr. Apoorva Kumat
7.	Commitment and Integrity - Adequate commitment to the Board and the Company	All Directors

Based on the declarations received from all Independent Directors, the Board in its meeting held on 13th April, 2023 have confirmed that in its opinion, the Independent Directors of the Company have fulfilled the criteria of independence specified in the Companies Act, 2013 and Listing Regulations and are independent of the management.

In accordance with Regulation 36(3) of the Listing Regulations, the brief resume and other information/details of Director to be re-appointed at the ensuing 14th Annual General Meeting (AGM) of the Company is given in the AGM Notice.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board meetings are prescheduled and annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year ended 31st March, 2023, four (4) Board meetings were held on 20th May, 2022, 08th August, 2022, 03rd November, 2022 and 03rd February, 2023. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days, as stipulated under Section 173(1) of the Companies Act, 2013, Regulation 17(2) of the Listing Regulations and the Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India.

The notice and detailed agenda along with the relevant notes and other material information are circulated to the Directors before the meeting including minimum information as required under Regulation 17(7) read with Schedule II of the Listing Regulations, to the extent applicable and relevant and in exceptional cases tabled at the meeting with the approval of the Directors present in the meeting. All the Directors have complete and unrestricted access to any information required by them to understand the transactions and take decisions. This enables the Board to discharge its responsibilities effectively and make an informed decision.

Familiarisation Programme for Independent Directors

The Company from time to time arrange familiarisation programme for Independent Directors to provide them an opportunity to familiarise with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with senior management personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part. During the course of Board/Committee Meetings, presentations are made on various matters, inter alia, covering the Company's business and operations, business model, industry and regulatory updates, strategy, finance, risk management framework and other relevant matters as a part of familiarisation programmes. Details of familiarisation programmes imparted to Independent Directors is disclosed on the website of the Company and can be accessed through web link https://www.yellowdiamond.in/wp-content/uploads/2021/06/Details-of-Familiarisation-Programmes-imparted-to-Independent-Directors-1.pdf .

Independent Directors Meeting

During the year under review, a separate meeting of Independent Directors was held on 20th May, 2022, inter alia, to discuss:

i. Evaluation of the performance of Non-Independent Directors and Board of Directors, as a whole;

ii. Review of the performance of the Chairman of the Company, taking into account the views of the Non-Executive Director; and

iii. Assessment of the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors, that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Three (3) out of four (4) Independent Directors of the Company were present in the meeting.

COMMITTEES OF THE BOARD

The Company has following Board level committees:

a) Audit Committee

b) Nomination and Remuneration Committee

c) Stakeholders Relationship Committee

d) Risk Management Committee

e) Corporate Social Responsibility Committee

AUDIT COMMITTEE

The Audit Committee constituted by the Board of the Company is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the financial year ended 31st March, 2023, four (4) Audit Committee meetings were held on 20th May, 2022, 08th August, 2022, 03rd November, 2022 and 03rd February, 2023. The minutes of Committee are placed before the Board for noting. The maximum gap between the two meetings was not more than 120 days as stipulated under Regulation 18(2) of the Listing Regulations.

The composition of the Audit Committee and the details of meetings attended by the members thereof is given below:

Name of the Member	Designation	No. of Meetings attended
Mr. Chetan Kumar Mathur	Chairman	4
Mrs. Anisha Motwani	Member	4
Mr. Vineet Kumar Kapila	Member	3
Mr. Bharat Singh (w.e.f 03.11.2022)	Member	1
Mr. G.V. Ravishankar (upto 02.11.2022)	Member	Nil

Notes:

1. Mr. Bharat Singh (Alternate Director for Mr. G.V. Ravishankar) has been appointed as a Member of the Audit Committee with effect from 20th May, 2022. Mr. Bharat Singh shall be a member of the Audit Committee upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.
2. Mr. G.V. Ravishankar, Member of the Audit Committee resigned from the Company with effect from 2nd November, 2022.
3. Consequent to resignation of Mr. G.V. Ravishankar with effect from 2nd November, 2022, the tenure of Mr. Bharat Singh as member of the Audit Committee also ceased with effect from 2nd November, 2022.
4. Mr. Bharat Singh was appointed as Member of the Audit Committee with effect from 3rd November, 2022.

All the members of the Audit Committee are financially literate and have insight to interpret and understand financial statements.

At the invitation of the Company, internal auditor, statutory auditor and other invited executives also attend the Audit Committee meetings along with Chief Financial Officer and Company Secretary to respond to queries raised at the Committee meetings. The minutes of Audit Committee meeting are placed before the Board for noting.

The Company Secretary of the Company acts as the Secretary to the Audit Committee as per Regulation 18(1)(e) of the Listing Regulations.

The composition, quorum, powers, role and scope of Audit Committee and information being reviewed by the Audit Committee are in accordance with Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. The Terms of Reference of the Audit Committee include the following:

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

  (a) matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

  (b) changes, if any, in accounting policies and practices and reasons for the same;

  (c) major accounting entries involving estimates based on the exercise of judgment by management;

  (d) significant adjustments made in the financial statements arising out of audit findings;

  (e) compliance with listing and other legal requirements relating to financial statements;

  (f) disclosure of any related party transactions;

  (g) modified opinion(s) in the draft audit report.

(v) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

(vi) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up thereon;

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) To review the functioning of the Vigil mechanism/ Whistle Blower policy;

(xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate;

(xx) Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments;

(xxi) In case of resignation of statutory auditor of the Company/material subsidiary:

(a) In case of any concern with the management of the Company /material subsidiary, such as non-availability of information/non-cooperation by the management which may hamper the audit process, the auditor shall approach the Chairman of the Audit Committee of the Company and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meeting;

(b) In case the auditor proposes to resign, to review and deliberate all concerns with respect to the proposed resignation, alongwith relevant documents which brought to the notice of the Audit Committee and communicate its views to the management and the auditor as soon as possible, but not later than the date of the next Audit Committee meeting;

(xxii) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and

(xxiii) Carrying out such other function as may be delegated by the Board from time to time or specified in the circular, notification issued by SEBI, from time to time or provided under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee constituted by the Board of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

During the financial year ended 31st March, 2023, three (3) Nomination and Remuneration Committee meetings were held on 20th May, 2022, 08th August, 2022 and 03rd November, 2022. The minutes of Committee meeting are placed before the Board for noting. The composition of the Nomination and Remuneration Committee and the details of meetings attended by the members thereof is given below:

Name of the Member	Designation	No. of Meetings attended
Mr. V.T. Bharadwaj	Chairman	3
Mr. Vineet Kumar Kapila	Member	2
Mr. Chetan Kumar Mathur	Member	3
Mr. Arvind Mehta	Member	2

The Company Secretary of the Company acts as the Secretary to the Committee. The Terms of Reference of the Nomination and Remuneration Committee include the following:

(i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

(ii) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of an external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(iii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

(iv) Devising a policy on diversity of Board of Directors;

(v) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;

(vi) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

(vii) Recommend to the Board, all remuneration, in whatever form, payable to senior management; and

(viii) Carrying out such other function as may be delegated by the Board from time to time or as provided in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

Performance Evaluation of Board, Committees and Directors

Pursuant to the governing provisions of the Companies Act, 2013, the Listing Regulations and Guidance Note on Board evaluation issued by SEBI, a formal annual evaluation was carried out by the Board of its own performance, its Committees and individual Directors including Independent Directors. During the year under review, a meeting of the Independent Directors was held without presence of non-independent directors and members of the management, wherein the performances of non-independent directors, Chairman and the Board of Directors, as a whole were evaluated. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The performance evaluation of Committees and Independent Directors was carried out by the Board, excluding the Director being evaluated, inter alia, taking into account the criteria for evaluation formulated by the Nomination and Remuneration Committee and as envisaged in the Guidance Note on Board evaluation issued by SEBI. The Directors were individually evaluated through structured questionnaire to ascertain feedback on parameters, which, inter alia, comprised of level of engagement and their contribution to strategic planning and other criteria based on performance and personal attributes. The performance of the Independent Directors was also evaluated based on additional criteria viz. independence and independent views and judgment. The Board, its Committees and Directors evaluation provided a formal process of communication in raising issues that might not otherwise be vetted by the Board, with the underlying objectives to develop an action plan to enhance the Board's performance, inter alia, by ensuring compliance with the requirements of the Companies Act, 2013 and Code of Corporate Governance as enshrined in the Listing Regulations.

The structured evaluation process was focused on identifying areas of improvement, if any, such as creating balance of power between the Board and management, long term strategy, more effectively fulfilling the Board's oversight responsibilities, the adequacy of committee(s) structures, assessment of Board culture to ascertain whether the same is conducive to attract right individuals to join the Board and updating the evaluation process itself. The Directors expressed their satisfaction with the evaluation process.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee constituted by the Board of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. Mr. V.T. Bharadwaj, Non – Executive, Independent Director is heading the Stakeholders Relationship Committee.

During the financial year ended 31st March, 2023, two (2) Stakeholders Relationship Committee meetings were held on 08th August, 2022 and 03rd February, 2023. The minutes of Committee Meeting are placed before the Board for noting.

The table below provides the composition and attendance of members of the Stakeholders Relationship Committe:

Name of the Member	Designation	No. of Meetings attended
Mr. V.T. Bharadwaj	Chairman	1
Mr. Vineet Kumar Kapila	Member	2
Mr. Arvind Mehta	Member	1
Mr. Amit Kumat	Member	2

The Company Secretary of the Company acts as the Secretary to the Committee. The Terms of Reference of Stakeholders Relationship Committee include the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings etc.;
2. Investigating complaints relating to allotment of shares, approval of transmission of shares or any other securities;
3. Issue of duplicate share certificates and new share certificates on split/consolidation/renewal etc.;
4. Review of measures taken for effective exercise of voting rights by shareholders;
5. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Share Transfer Agent;
6. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
7. Review and resolve the grievances/complaints of super stockiest, retailers and consumers of the Company; and

8. Carrying out such other function as may be delegated by the Board from time to time or as provided in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

Name, designation and address of the Compliance Officer

Mr. Om Prakash Pandey
Company Secretary and Compliance Officer
Prataap Snacks Limited
Khasra No. 378/2, Nemawar Road,
Near Makrand House, Palda,
Indore - 452020, Madhya Pradesh, India
Tel.: +91 731 2439911
E-mail: complianceofficer@yellowdiamond.in

Details of shareholders/investors complaints

The Company and the Share Transfer Agent viz. KFin Technologies Limited attend the grievances of the shareholders received directly or through SEBI, Stock Exchanges and other statutory regulatory authorities.

The details of shareholders/investors complaint is as under:

Complaint outstanding as on 1st April, 2022	:	0
Compliant received during the financial year ended 31st March, 2023	:	0
Compliant resolved during the financial year ended 31st March, 2023	:	0
Complaint outstanding as on 31st March, 2023	:	0

RISK MANAGEMENT COMMITTEE

The Risk Management Committee constituted by the Board of the Company is in compliance with the provisions of Regulation 21 of the Listing Regulations.

During the financial year ended 31st March, 2023, four (4) Risk Management Committee meetings were held on 20th May, 2022, 08th August, 2022, 03rd November, 2022 and 03rd February, 2023. The minutes of Committee meeting are placed before the Board for noting.

The composition of the Risk Management Committee and the details of meeting attended by the members thereof are given below:

Name of the Member	Designation	No. of Meetings attended
Mr. Chetan Kumar Mathur	Chairman	4
Mrs. Anisha Motwani	Member	4
Mr. Bharat Singh (w.e.f 03.11.2022)	Member	1
Mr. Amit Kumat	Member	4
Mr. G.V. Ravishankar (upto 02.11.2022)	Member	Nil

Notes:

1. Mr. Bharat Singh (Alternate Director for Mr. G.V. Ravishankar) has been appointed as a Member of the Risk Management Committee with effect from 20th May, 2022. Mr. Bharat Singh shall be a member of the Risk Management Committee upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.
2. Mr. G.V. Ravishankar, Member of the Risk Management Committee resigned from the Company with effect from 2nd November, 2022.
3. Consequent to resignation of Mr. G.V. Ravishankar with effect from 2nd November, 2022, the tenure of Mr. Bharat Singh as member of the Risk Management Committee also ceased with effect from 2nd November, 2022.
4. Mr. Bharat Singh was appointed as Member of the Risk Management Committee with effect from 3rd November, 2022.

The Terms of Reference of Risk Management Committee include the following:

1. Formulate a detailed Risk Management Policy of the Company which shall include:
   (a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
   (b) measures for risk mitigation including systems and processes for internal control of identified risks;
   (c) Business continuity plan;
2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
4. Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) of the Company;
7. Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if consider necessary; and
8. Carrying out such other function as may be delegated by the Board from time to time or specified in the circular, notification issued by SEBI, from time to time or provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted by the Board of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the financial year ended 31st March, 2023, two (2) Corporate Social Responsibility Committee meetings were held on 20th May, 2022 and 03rd November, 2022. The minutes of Committee Meeting are placed before the Board for noting.

The composition of the Corporate Social Responsibility Committee and the details of meeting attended by the members thereof are given below:

Name of the Member	Designation	No. of Meetings attended
Mrs. Anisha Motwani	Chairperson	2
Mr. Arvind Mehta	Member	2
Mr. Amit Kumat	Member	2
Mr. V.T. Bharadwaj	Member	2

The Company Secretary of the Company acts as the Secretary to the Committee. The Terms of Reference of Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and as amended from time to time or as per any circulars, notifications etc. issued by the government in relation thereto from time to time;
2. Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
4. Ensure the compliance of the Company with respect of CSR provisions as per the applicable laws of the land; and
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

REMUNERATION

1. **Remuneration to Independent Directors and Non-Executive Directors**

The Independent Directors are paid remuneration by way of sitting fees and commission. The Independent Directors are paid sitting fees for each meeting of the Board and its Committees attended by them. The commission is paid to the Independent Directors based on their performance and performance of the Company. The commission is paid within the permissible limit prescribed under the Companies Act, 2013 and Listing Regulations. Mr. Bharat Singh, Non-Executive Director do not have any pecuniary relationship or transaction with the Company. Further, apart from receiving remuneration by way of sitting fees and commission, no Independent Director have any pecuniary relationship or transaction with the Company.

2. **Remuneration to Executive Directors**

The appointment and remuneration of Chairman and Executive Director, Managing Director and Chief Executive Officer and Executive Director (Operations) is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and shareholders of the Company. The remuneration of Chairman and Executive Director, Managing Director and Chief Executive Officer and Executive Director (Operations) comprises of salary, perquisites and other retirement benefits. The increments are linked to the performance and approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee within the upper range of salary as approved by the shareholders.

The remuneration policy is directed towards rewarding the performance based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy of the Company is uploaded on the Company's website www.yellowdiamond.in.

Remuneration of Directors for the year ended 31st March, 2023:

a. **Non-Executive and Independent Directors**

(₹ in lakhs)

Name of Director	Category	Sitting fees paid for FY 2022-23	Commission payable for FY 2022-23
Mr. G.V. Ravishankar (upto 02.11.2022)	Non-Executive Director	Nil	Nil
Mr. Bharat Singh (w.e.f. 03.11.2022)	Non-Executive Director	Nil	Nil
Mr. V.T. Bharadwaj	Independent Director	4.86	5.0
Mrs. Anisha Motwani	Independent Director	7.00	5.0
Mr. Vineet Kumar Kapila	Independent Director	5.10	5.0
Mr. Chetan Kumar Mathur	Independent Director	7.54	5.0

Notes:

1. The Board in its meeting held on 26th May, 2023 has approved a commission of ₹ 7.00 lakhs each for Independent Directors for the financial year 2022-23 and the same will be paid in the financial year 2023-24. However, a provision of ₹ 5.00 lakhs each for Independent Directors was made in the financial statements based on past commission amount of Independent Directors of the financial year 2021-22. Accordingly, the difference of ₹ 2.00 lakhs each for Independent Directors will be adjusted in the financial year 2023-24.
2. The Board in its meeting held on 20th May, 2022 has appointed Mr. Bharat Singh (DIN: 08222884) as an Alternate Director (Non-Executive Nominee Director) for Mr. G.V. Ravishankar (DIN: 02604007), Non-Executive Nominee Director of the Company. Mr. Bharat Singh shall hold office as such upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.
3. Mr. G.V. Ravishankar (Non-Executive Nominee Director) has resigned from the Board of Directors of the Company with effect from 2nd November, 2022.
4. Consequent to the resignation of Mr. G.V. Ravishankar (Non-Executive Nominee Director) with effect from 2nd November, 2022, the tenure of Mr. Bharat Singh (DIN: 08222884) as an Alternate Director for Mr. G.V. Ravishankar on the Board of the Company also ceased with effect from 2nd November, 2022.
5. The Board of Directors in its Meeting held on 3rd November, 2022 has appointed Mr. Bharat Singh (DIN: 08222884) as an Additional Director (Non-Executive Nominee Director). Subsequently, in accordance with provisions of Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members by resolution passed through Postal Ballot on 25th December, 2022 has appointed Mr. Bharat Singh as a Non-Executive Nominee Director of the Company.

b. **Executive Directors**

Particulars	**Mr. Arvind Mehta** Chairman and Executive Director	**Mr. Amit Kumat** Managing Director and Chief Executive Officer	**Mr. Apoorva Kumat** Executive Director (Operations)
Terms of Appointment	For a period of 5 years from 23rd September, 2021 to 22nd September, 2026	For a period of 5 years from 23rd September, 2021 to 22nd September, 2026	For a period of 5 years from 02nd November, 2021 to 01st November, 2026
Salary (₹ in lakhs)	90.00	90.00	90.00
Bonus	Nil	Nil	Nil
Performance link incentive	Nil	Nil	Nil
Stock options	Nil	Nil	Nil
Perquisites	Nil	Nil	Nil
Minimum Remuneration	He shall be entitled to remuneration in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 in case of no profit or inadequate profit.	He shall be entitled to remuneration in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 in case of no profit or inadequate profit.	He shall be entitled to remuneration in accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 in case of no profit or inadequate profit.

GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings of the Company were held and details of special resolution passed (if any):

Date & Time	**Venue of the Meeting**	**Details of Special Resolution Passed**
03rd August, 2022 3:30 p.m. IST	Meeting held through Video Conferencing (VC)/Other Audio Visual Means (OAVM). Registered Office of the Company (deemed venue of the AGM): Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India	No special resolution was passed in the meeting.
05th August, 2021 3:30 p.m. IST	Meeting held through Video Conferencing (VC)/Other Audio Visual Means (OAVM). Registered Office of the Company (deemed venue of the AGM): Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India	1. Re - appointment of Mr. Chetan Kumar Mathur as an Independent Director of the Company. 2. Re - appointment of Mr. Arvind Mehta as an Executive Director of the Company. 3. Re - appointment of Mr. Amit Kumat as Managing Director and Chief Executive Officer of the Company. 4. Re - appointment of Mr. Apoorva Kumat as an Executive Director (Operations) of the Company.
18th September, 2020 3:30 p.m. IST	Meeting held through Video Conferencing (VC)/Other Audio Visual Means (OAVM). Registered Office of the Company (deemed venue of the AGM): Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India	No special resolution was passed in the meeting.

POSTAL BALLOT

No special resolution was passed through postal ballot during the year 2022-23. However, one (1) ordinary resolution was passed through postal ballot for appointment of Mr. Bharat Singh (DIN: 08222884) as a Director (Non-Executive Nominee Director), liable to retire by rotation.

No special resolution is proposed to be conducted through Postal Ballot.

MEANS OF COMMUNICATION

(a)	**Quarterly Results**	:	Quarterly results are approved by the Board of Directors and filed with Stock Exchanges as per requirements of the Listing Regulations.
(b)	**Newspapers wherein results are normally published**	:	English Newspaper - The Free Press Journal Vernacular Newspaper - Dabang Dunia
(c)	**Any website, where results are displayed**	:	www.yellowdiamond.in
(d)	**Whether the website also displays**		
	(i) official news releases	:	Yes
	(ii) presentations made to institutional investors or to the analysts	:	Yes

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting		
Date, Time and Venue	:	3rd August, 2023 at 3:30 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM)
Financial Year	:	Begins on 1st April and ends on 31st March of the following year
Financial Calendar (2023-24) (tentative) **Quarterly Financial Results :**		
ending 30th June, 2023		In or before second week of August, 2023
ending 30th September, 2023		In or before second week of November, 2023
ending 31st December, 2023		In or before second week of February, 2024
ending 31st March, 2024		In or before last week of May, 2024
Book Closure date(s) **Dividend Payment date**	:	28th July, 2023 to 3rd August, 2023 (both days inclusive) On or before 1st September, 2023
Listing on Stock Exchanges	:	(a) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001
		(b) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
The Company has timely paid the Annual listing fees for the financial year 2022-23 to BSE and NSE.		
Stock Codes	:	540724 (BSE)
		DIAMONDYD (NSE)
Demat ISIN Number for NSDL & CDSL	:	INE393P01035

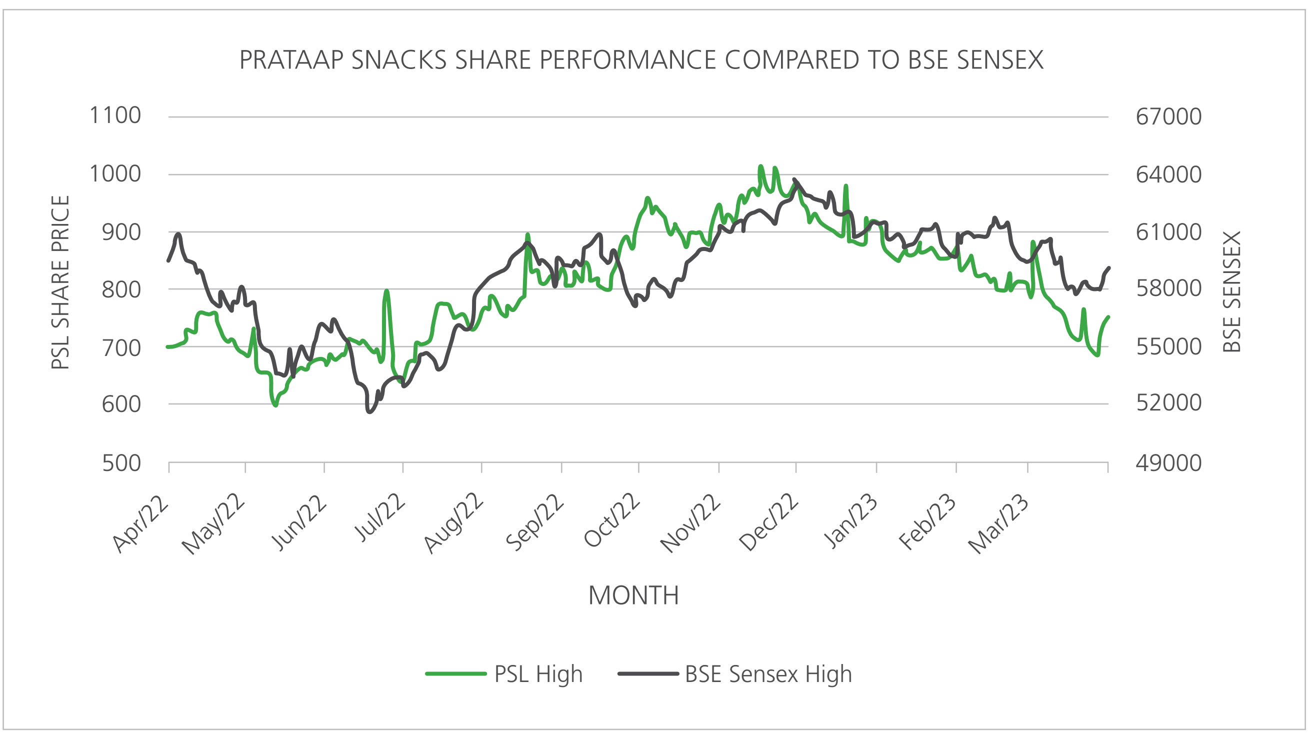
Stock Market Data

Monthly high and low price and volume of equity shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

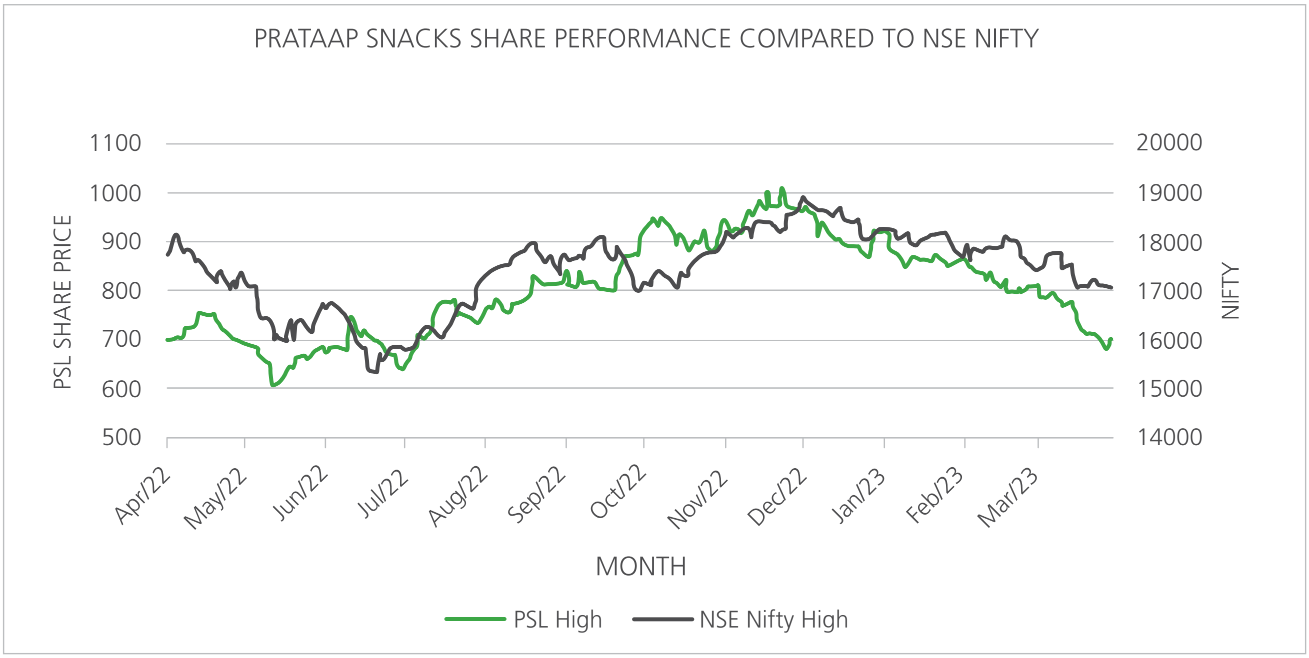
Month	BSE			NSE		
	High (₹)	Low (₹)	Monthly Volume (In Nos.)	High (₹)	Low (₹)	Monthly Volume (In Nos.)
April, 2022	758.90	670.70	18,761	759.90	672.05	2,73,079
May, 2022	734.00	562.95	19,834	692.15	563.30	1,60,934
June, 2022	790.00	630.55	4,939	750.00	630.05	5,09,019
July, 2022	774.05	629.65	67,142	789.40	626.70	7,08,880
August, 2022	888.00	726.05	20,228	827.50	723.05	3,55,803
September, 2022	923.40	782.00	30,425	924.00	787.00	6,68,075
October, 2022	955.00	775.00	46,649	950.00	854.75	5,20,100
November, 2022	1010.00	888.50	43,450	1,008.80	891.95	4,57,812
December, 2022	970.85	809.40	20,526	969.95	805.10	2,72,950
January, 2023	914.90	828.50	9,802	919.95	827.00	1,13,001
February, 2023	874.20	776.65	8,610	866.35	775.00	1,06,693
March, 2023	872.70	662.00	22,845	803.95	661.35	1,82,261

Share price performance in comparison to broad based indices

a) Share price performance in comparison to broad based indices - BSE Sensex:



b) Share price performance in comparison to broad based indices – NSE Nifty:



Share Transfer Agent:	KFin Technologies Limited Selenium Building, Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, India Toll Free No.: 18003094001 Tel.: (91 40) 67162222, 79611000 E-mail: einward.ris@kfintech.com

Share Transfer System

All matters pertaining to share transfer and related activities are handled by the Share Transfer Agent of the Company who are fully equipped to carry out the transfers of shares. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through respective depository participants. The request for dematerialisation of equity shares is confirmed/rejected within an average period of fifteen days. Transmission requests were processed for shares held in dematerialised form and physical form within seven days and twenty one days respectively, after receipt of specified documents, complete in all respect and dispatch of share certificates in physical form were generally completed within thirty days.

As per Regulation 40 of the Listing Regulations, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialised form with a depository. Further, the shares shall be issued in dematerialised form only while processing the request for transmission, transposition, duplicate, renewal/exchange, sub-division/splitting, consolidation of share certificate etc. as provided in Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 issued by the Securities and Exchange Board of India.

The Company obtains from Company Secretary in practice a yearly certificate of compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations and file the same with stock exchanges.

Distribution of shareholding as on 31st March, 2023

Number of equity shares held	Number of shareholders	% of total shareholders	Number of equity shares held	% of total shareholding
1 - 5,000	12,925	99.17	14,59,470	6.23
5,001 - 10,000	41	0.31	3,07,547	1.31
10,001 - 30,000	33	0.25	5,38,195	2.29
30,001 - 50,000	1	0.01	33,000	0.14
50,001 - 1,00,000	10	0.08	6,85,014	2.92
1,00,001 - 5,00,000	12	0.09	33,90,874	14.46
5,00,001 and above	11	0.09	1,70,38,936	72.65
Grand Total	**13,033**	**100.00**	**2,34,53,036**	**100.00**

Shareholding pattern as on 31st March, 2023

Category	No. of shares held	% of shareholding
Promoter and Promoter Group	1,66,93,515	71.18
Mutual Funds	19,49,350	8.31
Foreign Portfolio Investors	8,27,135	3.53
Resident Individual, HUF, Trust	23,39,315	9.97
Alternative Investment Fund	6,83,884	2.92
Foreign Corporate Bodies	4,26,439	1.82
Corporate Bodies	4,07,883	1.74
Non-Resident Individual	1,25,415	0.53
Foreign Nationals	100	0.00
Bank, Financial Institution	0	0.00
Total	**2,34,53,036**	**100.00**

Dematerialisation of shares and liquidity:

2,34,52,073 equity shares representing 99.99% of the total issued and listed equity share capital of the Company are held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2023.

Outstanding GDR/ADR/Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no GDRs/ADRs/Warrants or Convertible instruments outstanding as on 31st March, 2023.

Commodity price risk or foreign exchange risk and hedging activities:

(i) Commodity price risk and hedging activities

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, no disclosure in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018.

(ii) Foreign exchange risk and hedging activities

During the year ended 31st March, 2023, the foreign exchange exposure of the Company is nominal. The Company's management oversees the management of the risk. The details of foreign currency exposure are provided in Note no. 46 of Notes to standalone financial statements.

Credit ratings

ICRA Limited had assigned / reaffirmed long-term rating of [ICRA] A+ to the bank facilities of the Company, which was valid till 25th January, 2023. The outlook on the long-term rating was Stable. During the year ended 31st March, 2023, the Company has not obtained any new credit rating or revision of existing credit rating.

The facility wise rating is under:

Instrument details:

Sr. No.	Credit Facility	Amount (₹ in crore)	Rating
	Rated on Long Term scale		
1.	Cash Credit	35.00	[ICRA]A+ (Stable)
2.	Cash Credit	25.00	[ICRA]A+ (Stable)
3.	Cash Credit	20.00	[ICRA]A+ (Stable)
4.	Unallocated	20.00	[ICRA]A+ (Stable)
Total		**100.00**	

The above rating has been reaffirmed by ICRA Limited vide its letter dated 25th April, 2023.

Dividend

The Board in its meeting held on 26th May, 2023 has recommended a dividend of 20% on equity shares of ₹ 5/- each of the Company (i.e. ₹ 1/- per equity share) for the financial year ended 31st March, 2023, subject to the approval of the members at the ensuing 14th Annual General Meeting.

Unclaimed dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any, to the Investor Education and Protection Fund ('IEPF'), a fund established under sub-section (1) of Section 125 of the Companies Act, 2013. During the year ended 31st March, 2023, no amount was transferred to IEPF, as there was no unpaid/unclaimed dividend for a period of seven years or more.

Demat suspense account/Unclaimed suspense account

The disclosure with respect to demat suspense account/ unclaimed suspense account is not applicable as there are no shares issued pursuant to the public issue or any other issue, physical or otherwise, remain unclaimed and/or lying in the escrow account.

Plant locations

State	Address
Owned location	
Madhya Pradesh	1. Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore - 452020, Madhya Pradesh 2. Survey No. 65/2, 66/1, 67/2, Gram Piplyalohar, Tehsil Mhow, Indore - 453441, Madhya Pradesh
Assam	1. North Guwahati, IOC Road, Main Road, Gauripur, Near Gauripur Thana, Amingaon, Dist. Kamrup, Guwahati - 781031, Assam 2. Plot No. 40-41, Brahmputra Industrial Park, Amingaon Guwahati -781031, Assam
Karnataka	No. 260, Bommasandra Jigani Link Road, Jigani Hobli, Anekal Taluk, Bengaluru (Bangalore Urban) - 560105, Karnataka
West Bengal	Plot No. 5514-5515, 152-153, Mouza, Jangalpur Police Station, Domjur, District - Howrah, West Bengal - 711302
Gujarat	New R.S. No. 128, R.S. No. 123/P3, Taluka-Kalawad, Nikava, Jamnagar - 361162, Gujarat
Other location	
Karnataka	No. 44/2, Kothanur Dinne, SOS College Bannerghatta Road, Near B.K. Circle Bus Stop, J.P. Nagar, 8th Phase, Bengaluru - 560076, Karnataka
West Bengal	1. Chakundi Dankuni, Hooghly - 712310, West Bengal 2. 11, Kanduah Food Park, Sankrail, Howrah - 711302, West Bengal
Haryana	1. Plot No. 1, Jagan Village, Food Park APC, Jagan, Hisar - 125052, Haryana 2. Plot No. 36,39,40,41, Agro Park, Kunjpura, Karnal - 132023, Haryana
Bihar	Plot No. 397, 406, 407, Pitambarpur Bhika, Fatwah, Patna - 803201, Bihar
Uttar Pradesh	Arazi No. 385/A, Rajaswa Gram, Chachendi Sachendi-1, Kanpur - 209304, Uttar Pradesh
Telangana	Survey No. 170, Medchal Malkajgiri, Somaram Village, Medchal Mandal, Somaram - 501401, Telangana

Address for correspondence

Compliance Officer	Share Transfer Agent	Correspondence with the Company
Mr. Om Prakash Pandey Company Secretary and Compliance Officer Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India Tel.: +91 731 2439911 E-mail: complianceofficer@yellowdiamond.in	KFin Technologies Limited Selenium Bulding, Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, India Toll Free No.: 18003094001 Tel.: (91 40) 67162222, 79611000 E-mail: einward.ris@kfintech.com	Prataap Snacks Limited Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India Tel.: +91 731 2439999 E-mail: complianceofficer@yellowdiamond.in

OTHER DISCLOSURES

(a) There were no material significant related party transactions during the financial year 2022-23 which are considered to have potential conflict with the interests of the Company at large. Particulars and nature of transactions with the related parties entered into during the year ended 31st March, 2023 are disclosed in compliance with the "Ind AS" on Related Party Disclosure in Note no. 38 of Notes to standalone financial statements.

(b) The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authority on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities on matter relating to capital markets.

(c) The Company has adopted a Vigil Mechanism/Whistle Blower Policy for developing a culture where it is safe for all directors/employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee. The quarterly report with number of complaints received, if any, under the Policy and details thereof alongwith outcome is placed before the Audit Committee.

(d) The Company has complied with the mandatory requirements of Regulation 17 to 27 and Regulation 46 and other applicable regulations of the Listing Regulations, to the extent applicable to the Company except due to oversight the prior approval of Audit Committee has not taken for transactions with one related party, which subsequently approved / ratified by the Audit Committee in its meeting held on 26th May, 2023. The Company has presently not adopted the discretionary requirement of sending half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders. However, discretionary requirements viz. regime of financial statements with unmodified audit opinion and internal auditor may directly report to the Audit Committee are complied with. The discretionary requirement of maintenance of non-executive chairperson's office is not applicable.

(e) The Company has formulated a policy for determining material subsidiary of the Company. The said Policy is available on the website of the Company and can be accessed through web link https://www.yellowdiamond.in/wp-content/uploads/2021/06/Policy-for-determining-material-subsidiary.pdf

(f) The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions. The said Policy is available on the website of the Company and can be accessed through web link https://www.yellowdiamond.in/wp-content/uploads/2018/01/Policy-on-Materiality-of-Related-Party-Transactions-and-on-Dealing-with-Related-Party-Transactions-1.pdf.

(g) The Company has not raised any fund through preferential allotment or qualified institutions placement, hence, the disclosure of details of utilisation of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.

(h) The Company has obtained a Certificate from M/s. Ritesh Gupta & Co., Company Secretaries in practice certifying that none of the Directors on the Board of the Company for the year ended 31st March, 2023 have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

(i) During the year ended 31st March, 2023, the Board had accepted all the recommendations of the Committees, which are mandatorily required.

(j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to B S R & Co. LLP, the Statutory Auditor of the Company and other firms in the network entity of which the Statutory Auditor is a part as included in the consolidated financial statements of the Company for the year ended 31st March, 2023, is as follows:

(₹ in lakhs)

Fees for audit and related services paid to B S R & Co. LLP and affiliates firms and to entities of the network of which the statutory auditor is a part	115.00 (excluding GST)
Other fees paid to B S R & Co. LLP and affiliates firms and to entities of the network of which the statutory auditor is a part	4.20 (excluding GST)

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year 2022-23 is as under:

i. number of complaints filed during the financial year: Nil

ii. number of complaints disposed of during the financial year: Nil

iii. number of complaints pending as on end of the financial year: Nil

(l) In preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the applicable Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note no. 2.2 of Notes to standalone financial statements.

(m) The Company and its subsidiaries have not given loans and advances in the nature of loans to any firm/company in which the Directors are interested.

(n) Details of material subsidiary of the Company:

i. Name: Avadh Snacks Private Limited

ii. Date of Incorporation: 25th August, 2017

iii. Place of Incorporation: Jamnagar, Gujarat

iv. Name of Statutory Auditor: B S R & Co. LLP, Chartered Accountants

v. Date of appointment of Statutory Auditor: 2nd August, 2022

Avadh Snacks Private Limited has merged with the Company with effect from 29th March, 2023 as per the Scheme of Amalgamation of Avadh Snacks Private Limited ("Transferor Company 1") and Red Rotopack Private Limited ("Transferor Company 2") with Prataap Snacks Limited ("Transferee Company") and their respective shareholders and creditors sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide order dated 10th February, 2023 and Hon'ble National Company Law Tribunal, Indore Bench vide order dated 3rd March, 2023, suo moto amended on 15th March, 2023.

Accordingly, as on 31st March, 2023, the Company do not have any material subsidiary.

(o) In accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and Chief Executive Officer and Chief Financial Officer have furnished a Compliance Certificate to the Board of Directors for the year ended 31st March, 2023.

(p) Under the Company's Code of Conduct for regulating, monitoring and reporting of trading in securities of the Company as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 2015, Mr. Om Prakash Pandey, Company Secretary and Compliance Officer has been designated as the Compliance Officer of the Company.

Disclosure of the compliance with Corporate Governance requirements

The disclosure of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations are given below:

Regulation	Particulars of Regulation	Compliance status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes (The prior approval of Audit Committee has taken for all related party transactions except for transactions with one related party, which subsequently approved / ratified by the Audit Committee in its meeting held on 26th May, 2023.)
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

Declaration by the Chief Executive Officer

The Managing Director and Chief Executive Officer of the Company has given a declaration that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended 31st March, 2023.

Compliance Certificate from Practicing Company Secretary

Mr. Ritesh Gupta, Proprietor of M/s. Ritesh Gupta & Co., Company Secretaries has certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Amit Kumat, Managing Director and Chief Executive Officer of the Company hereby declare that the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for Board of Directors and Senior Management for the financial year ended 31st March, 2023.

For **Prataap Snacks Limited**

Amit Kumat
Managing Director and Chief Executive Officer

Place: Indore
Date: 26th May, 2023

CEO AND CFO CERTIFICATE

To,
The Board of Directors
Prataap Snacks Limited
Khasra No. 378/2, Nemawar Road,
Near Makrand House, Palda,
Indore – 452 020, Madhya Pradesh, India

Re: Compliance Certificate of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Amit Kumat, Managing Director and Chief Executive Officer (CEO) and Sumit Sharma, Chief Financial Officer (CFO) of Prataap Snacks Limited hereby certify that:

A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March, 2023 and that to the best of our knowledge and belief:

   (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   (1) there have been no significant changes in internal control over financial reporting during the year;

   (2) the significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

   (3) there have been no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Indore
Date: 26th May, 2023

Amit Kumat
Managing Director and Chief Executive Officer

Sumit Sharma
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Prataap Snacks Limited
Khasra No. 378/2, Nemawar Road,
Near Makrand House, Palda
Indore – 452020, Madhya Pradesh, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Prataap Snacks Limited (CIN:L15311MP2009PLC021746),** Registered Office at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India (hereinafter referred to as 'the Company') and produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Arvind Mehta	00215183	12/05/2011
2.	Mr. Amit Kumat	02663687	12/05/2011
3.	Mr. Apoorva Kumat	02630764	02/11/2018
4.	Mr. Bharat Singh	08222884	20/05/2022
5.	Mrs. Anisha Motwani	06943493	05/07/2016
6.	Mr. Vineet Kumar Kapila	00056582	22/07/2016
7.	Mr. Chetan Kumar Mathur	00437558	07/08/2018
8.	Mr. Bharadwaj Thiruvenkata Venkatavaraghavan	02918495	02/11/2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board of the Company is the responsibility of the management. My responsibility is to express an opinion on the basis of my verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ritesh Gupta & Co.**
Company Secretaries

Ritesh Gupta
CP:3764 | FCS:5200
UDIN: F005200E000378001

Place: Indore
Date: 26th May, 2023

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) and paragraph E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Prataap Snacks Limited
Khasra No. 378/2, Nemawar Road,
Near Makrand House, Palda,
Indore - 452020, Madhya Pradesh, India

I have examined the compliance of conditions of Corporate Governance by **Prataap Snacks Limited (CIN: L15311MP2009PLC021746)**, (hereinafter referred as 'the Company') for the financial year ended 31st March, 2023 as prescribed under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review of procedures and implementation thereof by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing regulations subject to the following:

- The prior approval of Audit Committee has taken for all related party transactions except for transactions with one related party, which subsequently approved / ratified by the Audit Committee in its meeting held on 26th May, 2023.

This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ritesh Gupta & Co.**
Company Secretaries

Ritesh Gupta
CP:3764|FCS:5200
UDIN: F005200E000377924

Place: Indore
Date: 26th May, 2023

Independent Auditor's Report

To the Members of Prataap Snacks Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Prataap Snacks Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows 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 ("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 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 standalone 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 opinion on the standalone financial statements.

KEY AUDIT MATTER(S)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

See Note 2.2 and 26 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods is recognized when control is transferred to the customer and is measured net of discounts, rebates, incentives and other similar items (collectively 'discounts and rebates'). Significant estimation is involved in recognition and measurement of rebates and discounts. This includes estimating the amount of consideration to which the company will be entitled in exchange for transferring the goods to the customer based on historical experience and the specific terms of the scheme. This involves a risk of error in estimation, unrecorded accruals for variable consideration. There is a risk of revenue being overstated because of fraud, resulting from the pressure local management may feel to achieve performance targets.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of revenue recognition accounting policy in accordance with relevant accounting standard including those relating to discounts and rebates. • Tested the design, implementation and operating effectiveness of key internal controls over revenue recognition including anti-fraud controls, general IT controls and key IT application controls. • Performed substantive testing by selecting samples using statistical sampling for revenue transactions recorded during the year by vouching to underlying documents like Invoices, Lorry Receipts, Customer acknowledgement etc. • Performed test of specific revenue transactions recorded during the year end to determine that revenue is recognised in correct period.

The key audit matter	How the matter was addressed in our audit
Revenue is also an important element of how the company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before control has been transferred. Accordingly, we identified revenue recognition including estimation of variable consideration as a key audit matter.	• Performed substantive analytical procedures over revenue and discounts to identify unusual variances. • Performed substantive testing over discounts and rebates including the following procedures: i. For samples, read the terms of contract and incentive schemes as approved by authorized personnel ii. Evaluated the assumptions used in estimation of variable consideration by comparing with the past trends, actual claims etc. iii. Assessed the accuracy of prior period accruals for variable consideration by reference to actual claims presented by the customer. iv. Performed test of discount and rebate expense recorded subsequent to the year end to determine the completeness of discount and rebate expense. • Obtained independent confirmations from sample customers and reconciled the balance with the amounts recorded in the books. • Tested manual journal entries posted to revenue including discount and rebates which are unusual in nature.

Measurement of deferred tax and MAT credit

See Note 2.2 and 20 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
As at 31 March 2023, the Company has recognized a deferred tax liability (net) of ₹ 802.45 lakhs (including Minimum Alternate Tax (MAT) credit receivable of ₹ 1,713.61 lakhs). Taxation Laws (Amendment) Act, 2019 (new tax regime) provides an option to pay income tax at reduced rates but opting for such concessional rates would result in loss of availability of MAT credit. Deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse. The Company has measured its deferred tax balances basis expected financial year when the Company is likely to move to the new tax regime.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of Company's accounting policies with respect to recognition and measurement of deferred tax balances in accordance with relevant accounting standard. • Obtained an understanding, tested the design, implementation and operating effectiveness of the internal controls over the measurement of deferred tax balances. • Evaluated the reasonableness of the estimate of expected financial year when the Company is likely to move to the new tax regime by performing following key procedures: i. Obtained management's evaluation of expected financial year when the Company is likely to move to the new tax regime.

The key audit matter	How the matter was addressed in our audit
The measurement of MAT credit receivable and deferred tax balances involves estimation of the year of transition to the new tax regime which involves significant estimate of the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.	ii. Involved tax specialists to evaluate the Company's tax positions basis the tax law. iii. Inspected the future business plans and approved financial projections iv. Evaluated and challenged the key assumptions used in the financial projections based on historical data and economic and industry forecasts. v. Tested the determination of temporary differences which are expected to reverse before and after the date when the Company is expected to move to new tax regime. • Assessed the appropriateness of disclosures in accordance with the requirements of relevant standard.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) 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 the other information is materially inconsistent with the standalone 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.

MANAGEMENT'S AND BOARD OF DIRECTORS RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows 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. 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 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. 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 other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements.

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

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

d. (i) The management has represented that, to the best of its knowledge and belief, as discussed in the Note 49 to the accounts, 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:

- 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 to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 49 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- 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 from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

g. We draw attention to Note 38 to the standalone financial statements for the year ended 31 March 2023 according to which the remuneration paid or payable by the Company to its directors is in excess of the limit laid down under Section 197 of the Act. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders through special resolution which the Company has obtained through postal ballot subsequently on 23 May 2023. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN:23091765BGYZJP1313

Place: New Delhi
Date: 26 May 2023

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Prataap Snacks Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in Lakh)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indcate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land and Building	988.83	Avadh Snacks Private Limited	No	01 April 2021	Assets of subsidiary amalgamated with the Company Pursuant to the scheme of amalgamation for which the name change is in process.
Freehold Land and Building	77.07	Red Rotopack Private Limited	No	01 April 2021	Assets of subsidiary amalgamated with the Company Pursuant to the scheme of amalgamation for which the name change is in process

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts/customer acknowledgement has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to employees during the year in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

Particulars	Loans (in Lakhs)
Aggregate amount during the year	
– Others (Loan to employees)	132.50
Balance outstanding as at balance sheet date	
– Others (Loan to employees)	117.11

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund. As explained to us, the Company did not have any dues on account of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in lakh)	Period to which the amount relates	Due date	Date of payment
Employees Provident Fund and Miscellaneous Act, 1952	Provident Fund	7.87	Apr- Sep'22	May-Oct '22	29-Apr-23 *

** ₹ 3.48 lakh paid on 29-Apr-23 and the balance amount is pending to be remitted.*

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in lakh)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates (FY)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	276.05	55.06	2011-12	Commisioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	363.57	-	2017-18	Commisioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	286.24	50.00	2019-20	Commisioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	388.28	-	2020-21	Commisioner of Income Tax (Appeals)
Goods and Service Tax, 2017	Goods and service tax	791.26	48.15	2017-18 to 2020-21	Joint Commissioner (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(i) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender. Further, the working capital loan amounting to ₹ 300 lakhs obtained during the year is repayable on demand. According to information and explanations given to us, such loan has not been demanded for repayment during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the 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) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act except for the following transactions:

Nature of related party, relationship and underlying transactions	Amount involved (₹ in lakhs)	Remarks (details of non-compliance)
Private Company in which relative of a director is a member Availing of services from related party	1,347.95	Prior audit committee approval not obtained under section 177 of the Act however ratified by approval by audit commitee in the meeting dated 26 May 2023

The details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have CICs as part of the Group. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on Companies (Auditor's Report) Order, 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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 the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN:23091765BGYZJP1313

Place: New Delhi
Date: 26 May 2023

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Prataap Snacks Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Prataap Snacks Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN:23091765BGYZJP1313

Place: New Delhi
Date: 26 May 2023

Standalone Balance Sheet

	Notes	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipments	3	38,266.31	34,129.62
(b) Capital work-in-progress	3	1,485.72	1,386.31
(c) Goodwill	4	4,611.00	4,611.00
(d) Other Intangible assets	4	15,184.63	16,258.14
(e) Intangible assets under development	4	18.98	-
(f) Financial assets			
(i) Loans	5	1,827.40	1,763.66
(ii) Other non-current financial assets	6	2,254.08	5,654.58
(g) Other tax assets (net)	7	821.02	154.24
(h) Other non-current assets	8	1,952.21	649.42
TOTAL NON-CURRENT ASSETS		**66,421.34**	**64,606.97**
CURRENT ASSETS			
(a) Inventories	9	13,528.41	14,462.33
(b) Financial assets			
(i) Trade receivables	10	1,398.62	1,657.23
(ii) Cash and cash equivalents	11	2,188.16	1,896.56
(iii) Bank balance (other than (ii) above)	12	714.70	1,317.70
(iv) Loans	13	149.88	116.83
(v) Other current financial assets	14	4,314.41	5,175.28
(c) Other current assets	15	2,416.35	1,468.05
TOTAL CURRENT ASSETS		**24,710.53**	**26,093.98**
TOTAL ASSETS		**91,131.87**	**90,700.95**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	1,172.65	1,172.65
(b) Other equity	17	66,421.92	61,229.00
TOTAL EQUITY		**67,594.57**	**62,401.65**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Lease liabilities	36	3,926.83	3,572.41
(b) Provisions	19	448.17	459.56
(c) Deferred tax liabilities (net)	20	802.45	2,561.44
(d) Other non-current liabilities	21	2,131.72	2,469.09
TOTAL NON-CURRENT LIABILITIES		**7,309.17**	**9,062.50**
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	300.00	3,008.22
(ii) Lease liabilities	36	1,754.46	1,407.32
(iii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		843.94	839.69
Total outstanding dues of trade payables other than micro enterprises and small enterprises		9,537.42	8,174.56
(iv) Other current financial liabilities	23	913.43	3,883.87
(b) Other current liabilities	24	2,803.89	1,845.14
(c) Provisions	19	74.99	71.99
(d) Current tax liabilities (net)	25	-	6.01
TOTAL CURRENT LIABILITIES		**16,228.13**	**19,236.80**
TOTAL LIABILITIES		**23,537.30**	**28,299.30**
TOTAL EQUITY AND LIABILITIES		**91,131.87**	**90,700.95**

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

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJP1313

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Standalone

Standalone Statement of Profit and Loss

		Notes	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
I	Revenue from operations	26	1,65,293.22	1,39,661.93
II	Other income	27	770.98	1,367.91
III	**TOTAL INCOME (I + II)**		**1,66,064.20**	**1,41,029.84**
IV	**EXPENSES**			
	(a) Cost of materials consumed	28	1,19,101.97	1,04,221.36
	(b) Purchases of stock-in-trade		849.22	332.49
	(c) Changes in inventories of finished goods and stock-in-trade	29	(748.69)	(860.67)
	(d) Employee benefits expense	30	7,540.64	5,718.17
	(e) Finance costs	31	654.55	671.82
	(f) Depreciation and amortisation expenses	32	6,212.91	5,377.18
	(g) Impairment losses on financial assets	46	385.49	421.19
	(h) Other expenses	33	31,921.76	23,998.46
	TOTAL EXPENSES		**1,65,917.85**	**1,39,880.01**
V	**Profit before exceptional item and tax (III - IV)**		**146.35**	**1,149.83**
VI	Exceptional item	42	-	1,393.76
VII	**Profit before tax (V - VI)**		**146.35**	**(243.93)**
VIII	**Tax expense**			
	(a) Current tax	20	85.65	205.28
	(b) Deferred tax (including Minimum Alternate Tax)	20	(30.10)	(735.12)
	(c) Tax adjustments in respect of earlier years	20	(1,935.45)	-
	Total tax expenses		**(1,879.90)**	**(529.84)**
IX	**Profit for the year (VII - VIII)**		**2,026.25**	**285.91**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain on defined benefit plan	35	73.74	34.08
	(b) Income tax relating to above	20	(25.77)	(10.97)
	Total other comprehensive income (net of tax)		**47.97**	**23.11**
XI	**Total comprehensive income (IX + X)**		**2,074.22**	**309.02**
XII	**Earnings per equity share:**			
	Equity shares of face value of ₹ 5 (31 March 2022: ₹ 5) each			
	(a) Basic - ₹	34	8.49	1.22
	(b) Diluted - ₹	34	8.49	1.22

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

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJP1313

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL:

	No. in lakhs	₹ lakhs
Issued, subscribed and fully paid		
As at 1 April 2021	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2022	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2023	**234.53**	**1,172.65**

B. OTHER EQUITY:

	Shares pending Issuance ₹ lakhs	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 43) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2021	**-**	**38,282.76**	**22,252.39**	**584.96**	**61,120.11**
Profit for the year	-	-	285.91	-	285.91
Other comprehensive income					
- Re-measurement gain on defined benefit plan	-	-	23.11	-	23.11
Total comprehensive income	**-**	**-**	**309.02**	**-**	**309.02**
Transaction with owners, recorded directly in equity					
Contribution by and distribution to owners					
Employee stock appreciation rights expense	-	-	-	(82.86)	(82.86)
Dividend paid on equity shares	-	-	(117.27)	-	(117.27)
As at 31 March 2022	**-**	**38,282.76**	**22,444.14**	**502.10**	**61,229.00**

	Shares pending Issuance ₹ lakhs	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 43) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2022	**-**	**38,282.76**	**22,444.14**	**502.10**	**61,229.00**
Profit for the year	-	-	2,026.25	-	2,026.25
Other comprehensive income					
- Re-measurement gain on defined benefit plan	-	-	47.97	-	47.97
Total comprehensive income	**-**	**-**	**2,074.22**	**-**	**2,074.22**
Transaction with owners, recorded directly in equity					
Contribution by and distribution to owners					
Employee stock appreciation rights expense	-	-	-	232.33	232.33
ESAR lapsed during the year	-	-	111.16	(111.16)	-
Dividend paid on equity shares	-	-	(117.27)	-	(117.27)
Shares pending issuance (Refer Note 50)	3,003.64	-	-	-	3,003.64
As at 31 March 2023	**3,003.64**	**38,282.76**	**24,512.25**	**623.27**	**66,421.92**

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJP1313

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

▶ Standalone

Standalone Statement of Cash Flows

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**146.35**	**(243.83)**
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expenses	6,212.91	5,377.18
Loss on sale of property, plant and equipments	24.55	0.28
Provision for slow moving inventory	(58.12)	(12.74)
Liabilities written back	-	(30.00)
Trade receivables written off	0.56	-
Allowance for credit losses	385.49	421.19
Net gain/ Loss on derecognition of lease liability and ROU assets	(75.86)	-
Provision for doubtful advances	(92.47)	(87.79)
Employee stock appreciation rights expense	232.33	(82.86)
Government grant income	(431.27)	(741.34)
Remeasurement of Financial liabilities measured at FVTPL	-	(554.35)
Loss by Fire	-	1,393.76
Finance cost	654.55	671.83
Interest income	(695.12)	(813.56)
Operating profit before working capital changes	**6,303.90**	**5,297.78**
Working capital adjustments:		
Decrease / (increase) in inventories	992.04	(1,815.50)
Decrease / (increase) in trade receivables	(227.44)	583.25
Decrease / (increase) in loans and other financial assets	(130.87)	234.39
Decrease / (increase) in other assets	(946.28)	(13.02)
Increase/ (decrease) in trade payables	1,368.16	208.18
Increase / (decrease) in other financial liabilities	162.34	231.72
Increase / (decrease) in provisions	65.35	44.75
Increase / (decrease) in other liabilities	957.88	327.95
	8,545.08	**5,099.50**
Income tax paid (net of refund received)	(577.98)	(502.99)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**7,967.10**	**4,596.50**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments including capital work-in-progress and capital advances	(8,310.25)	(3,086.92)
Proceeds from sale of property, plant and equipments	112.93	29.56
Proceeds from sale of CWIP	83.00	-
Purchase of intangibles including assets under development	(81.99)	(66.83)
Receipt of government grant	561.39	980.80
Repayment of loan by employees welfare trust	13.08	
Investment in fixed deposits with banks not considered as cash and cash equivalents	(1,950.38)	(7,936.42)
Redemption / maturity of fixed deposits with banks not considered as cash and cash equivalents	6,641.74	5,980.44
Interest received	421.84	471.58
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(2,508.63)**	**(3,627.80)**

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	300.00	7,800.00
Repayment of lease liabilities	(1,686.87)	(1,439.06)
Interest paid on lease liabilities	(514.82)	(500.18)
Repayment of short-term borrowings	(3,000.00)	(5,815.29)
Interest paid	(147.95)	(159.89)
Dividend	(117.23)	(136.21)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(5,166.87)**	**(250.63)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**291.60**	**718.09**
Cash and cash equivalents at the beginning of the year	1,896.56	1,178.47
Cash and cash equivalents at the end of the year (Refer Note 11)	**2,188.16**	**1,896.56**

As per our report of even date

For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJP1313

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Notes to the Standalone Financial Statements

NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Company') is a public Company domiciled in India having CIN L15311MP2009PLC021746 and is incorporated under the provisions of the Companies Act, applicable in India and its equity shares are listed on the National Stock Exchange and BSE stock exchange. The principal place of business of the Holding Company is located at Khasra No. 378/2, Nemawar Road, Near Makrand House, Indore, Madhya Pradesh, 452020, India. The Comany is primarily engaged in the business of snacks food.

NOTE 2.1: BASIS OF PREPARATION

A. Statement of Compliance

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) notified under section 133 of Companies Act, 2013 ('the Act') and other relevant provisions of the act. Also, refer Note 50 for Accounting of scheme of amalgamation

The Standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 26 May 2023.

B. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Valuation of share appreciation rights issued under Employee Stock Appreciation Rights ('ESAR') Plan 2018 (refer accounting policy regarding share-based payments)
- Net defined benefit liability (refer accounting policy regarding employee benefit).

C. Functional and presentation currency

The Standalone financial statements are presented in India Rupee ('₹') which is also the Company's functional currency. All amounts have been rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

D. Use of judgements and estimates

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and judgements

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognised in the standalone financials statements is included below:

1. Deferred taxes - The measurement of MAT credit receivable and deferred tax balances requires judgement around the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.

Assumptions and estimation uncertainties

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. 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.

(i) **Useful lives of property, plant and equipments and intangible assets**

The Company reviews the useful life of property, plant and equipments and intangible assets at the end of each reporting period. This reassessment may result

Notes to the Standalone Financial Statements

in change in depreciation and amortisation expense in future periods. Refer Note 2.3 (D) and (E) for management estimate of useful lives.

(ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. The measurement of MAT credit receivable and deferred tax balances requires estimation of the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.

(iii) Discounts and Rebates

The Company provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer to the Company, which may be some time after the date of sale. Accordingly, the Company estimates the amount of such incentives basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking, business forecast and the current economic conditions. To estimate the amount of incentives, the Company uses the most likely method.

(iv) Impairment of Goodwill

Impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are relevant to perform an impairment test in respect of the goodwill recognised by the Company.

NOTE 2.2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Current vs non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or 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 unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes to the Standalone Financial Statements

(B) Revenue from operations

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control over 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.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 20 days upon delivery.

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. 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).

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. Some contracts for the sale of goods provide customers with a right to return defective / damaged products and discount and rebates on sales. The rights to return and discount and rebates on sales give rise to variable consideration.

The Company provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The Company does not generally provide a right of return on the goods supplied to customers.

Contract balances

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).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration 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. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

(C) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. When the grant relates to an expense item, it is recognised as other operating revenue 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 initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other operating income on a systematic basis over the useful life of the asset.

(D) Property, plant and equipments

Property, plant and equipment's is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use. Such cost includes the cost of replacing part of the Property, plant and equipment's and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment's 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 Property, plant and equipment's as a component if the recognition criteria are satisfied.

Notes to the Standalone Financial Statements

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

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

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

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

Depreciation on property, plant and equipments is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life based on its estimate regarding the period over which the assets are expected to be used and the same is supported by technical evaluation:

Property, plant and equipments	Useful lives as per Management	Useful lives as per Schedule II
Factory buildings	30 years	30 years
Plant and equipments*	15 years (on double shift basis)	15 years
Electrical installations*	15 years	10 years
Furniture and fixtures	10 years	10 years
Computers*	3 years to 6 years	3 years
Office equipments*	3 years to 5 years	5 years
Vehicles	8 years	8 years
Leasehold improvements	Amortised over the period of lease term ranging from 9 to 10 years	Amortised over the period of lease term ranging from 9 to 10 years

** These assets have life different from those mentioned in Schedule II of the Companies Act, 2013 (the 'Act').*

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

(E) 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.

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

Intangible assets with finite lives are amortised on straight line basis 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.

Goodwill being an Intangible asset with indefinite useful lives is not amortised, but 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 or loss when the asset is derecognised.

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

Intangible assets	Useful lives
Computer software	5 years
Trade Name	20 years
Distribution Network	18 years

Notes to the Standalone Financial Statements

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(F) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(G) Inventories

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable 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 of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

(H) Leases

The company's leases mainly comprises of land, buildings and facilities. The Company assesses whether a contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as 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. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. 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:

Notes to the Standalone Financial Statements

Right-of-use assets	Useful lives
Manufacturing facilities	3 to 7 years
Leasehold land	3 to 9 years
Land and building	2 to 10 years

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

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if 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 remeasured 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 applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments of short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(I) Segment reporting

The Company is engaged in the business of snacks good. The Chief Operating Decision Maker review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance. The entire operations are classified as a single segment, namely 'Snacks food'.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(J) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive)as a result of a past event, for which 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 obligation. The expense relating to a provision is presented in the statement of profit and loss.

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

(K) Employee benefits

I. Short term employee benefits

Short-term employee benefit obligations such as salaries, incentives, special awards, medical benefits are measured on an undiscounted basis and are expensed as the related service is provided.

II. Post-employment obligations

The Company operates the following post-employment schemes:

a. Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme.

Notes to the Standalone Financial Statements

The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

b. Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an 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
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The liability for the defined benefit gratuity plan is determined based on actuarial valuations carried out by an independent actuary as at year end. 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 government bonds yield rates for the life of the 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. Future salary increases and gratuity increases are based on expected future inflation rates.

III. Other long term employee benefit

The Company has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method. Actuarial gain and loss are recognised in the statement of profit and loss during the year in which they occur.

The Company presents the leave as the current liability in the standalone balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in standalone balance sheet.

IV. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Appreciation Rights Plan whereby employees render services as consideration for equity instruments (equity-settled transactions).

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.

That cost is recognised, together with a corresponding increase in Employee stock appreciation rights

Notes to the Standalone Financial Statements

('ESAR') reserve in equity, 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. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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.

(L) Taxation

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss, except when it relates to items recognised in the other comprehensive income or items recognised directly in the equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable.

Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or under dispute with authorities and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liabilities on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except for:

- Temporary difference arising on 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 nor taxable profit or loss

- Taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

For operations carried out under tax holiday period (Section 80IB and 80IE benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is

Notes to the Standalone Financial Statements

no longer probable that sufficient taxable profit 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 recognised 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 realised or the 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 recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum alternate tax (MAT)

MAT expense in a year is charged to the statement of profit and loss as current tax for the year. The MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and is disclosed as deferred tax asset. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(M) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. 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 the statement of profit and 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.

(N) Fair value measurement

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:

- In the principal market for the asset or liability; or
- 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 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the Standalone Financial Statements

For assets and liabilities that are recognised in the 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Other fair value related disclosures are given in the relevant notes.

(O) Financial instruments

I) Recognition and initial 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. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

II) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing

Notes to the Standalone Financial Statements

so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

III) De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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 de-recognition 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.

IV) 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 either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

V) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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

Notes to the Standalone Financial Statements

portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as (income) / expense in the statement of profit and loss (P&L). Financial assets measured as at amortised cost, contractual revenue receivables and lease 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.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(P) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(Q) Borrowing cost

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 respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing cost includes 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.

(R) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders 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) Contingent liability and contingent assets

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 not wholly within the control of the Company or a present obligation that is not recognised because it is

Notes to the Standalone Financial Statements

not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(T) Interest Income

For all debt 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 receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(U) Standards issued but not yet effective

On March 31, 2023, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 01, 2023.

Amendment to Ind AS 12 and Ind AS 101

Now the Initial Recognition Exemption (IRE) does not apply to transactions that give rise to equal and offsetting temporary differences. Narrowed the scope of IRE (with regard to leases and decommissioning obligations). Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

The application of this amendment is not expected to have a material impact on the Company's financial statements.

Amendment to Ind AS 1 and Ind AS 34 and Ind AS 107

Companies should now disclose material accounting policies rather than their significant accounting policies. The application of this amendment is not expected to have a material impact on the Company's financial statements.

Amendment to Ind AS 8

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The application of this amendment is not expected to have a material impact on the Company's financial statements.

Notes to the Standalone Financial Statements

NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Note a: Owned assets

	Leasehold improvements ₹ lakhs	Freehold lands ₹ lakhs	Factory buildings ₹ lakhs	Plant and equipments ₹ lakhs	Furniture and fixtures ₹ lakhs	Office equipments ₹ lakhs	Computers ₹ lakhs	Vehicles ₹ lakhs	Capital work -in-progress ₹ lakhs	Total ₹ lakhs
I Gross carrying amount										
As at 1 April 2021	**1,941.47**	**3,697.04**	**6,123.45**	**28,879.99**	**231.82**	**362.81**	**176.78**	**2,521.80**	**2,085.69**	**46,020.85**
Additions	109.97	-	1,181.16	1,725.72	10.85	20.91	35.52	335.51	2,863.72	6,283.37
Deletions*	-	-	-	900.27	3.05	30.83	1.65	51.32	143.46	1,130.58
Transfer/capitalised	-	-	-	-	-	-	-	-	3,419.64	3,419.64
As at 31 March 2022	**2,051.44**	**3,697.04**	**7,304.61**	**29,705.44**	**239.62**	**352.89**	**210.65**	**2,805.99**	**1,386.31**	**47,753.99**
Additions	73.21	1,359.53	593.93	3,766.30	82.06	160.87	34.46	749.92	5,708.71	12,528.99
Deletions	-	-	-	106.65	-	-	0.66	70.32	148.55	326.18
Transfer/capitalised	-	-	-	-	-	-	-	-	5,460.75	5,460.75
As at 31 March 2023	**2,124.65**	**5,056.57**	**7,898.54**	**33,365.09**	**321.68**	**513.76**	**244.45**	**3,485.59**	**1,485.72**	**54,496.05**
II Accumulated depreciation and impairment losses										
As at 1 April 2021	**1,086.20**	-	**782.70**	**11,275.19**	**130.15**	**155.95**	**135.38**	**756.07**	-	**14,321.63**
Depreciation charge for the year	269.72	-	215.99	1,738.26	26.48	48.65	24.78	363.42	-	2,687.30
Deletions*	-	-	-	244.34	0.92	21.12	0.10	28.06	-	294.54
As at 31 March 2022	**1,355.92**	-	**998.69**	**12,769.11**	**155.71**	**183.48**	**160.06**	**1,091.43**	-	**16,714.39**
Depreciation charge for the year	239.39	-	503.89	1,874.51	24.22	49.33	29.00	434.10	-	3,154.44
Deletions	-	-	-	30.61	-	-	0.66	29.93	-	61.20
As at 31 March 2023	**1,595.31**	-	**1,502.58**	**14,613.01**	**179.93**	**232.81**	**188.40**	**1,495.60**	-	**19,807.63**
III Net carrying amount										
As at 31 March 2023	**529.34**	**5,056.57**	**6,395.96**	**18,752.08**	**141.75**	**280.95**	**56.05**	**1,989.99**	**1,485.72**	**34,688.42**
As at 31 March 2022	**695.52**	**3,697.04**	**6,305.92**	**16,936.33**	**83.91**	**169.41**	**50.59**	**1,714.56**	**1,386.31**	**31,039.60**

** Refer note 42 on exceptional item*

Title deeds of immovable properties not held in name of the Company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company except as disclosed below –

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/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Freehold Land and Building	988.83	Avadh Snacks Private Limited	No	01 April 2021	Refer note A below
Freehold Land and Building	77.07	Red Rotopack Private Limited	No	01 April 2021	Refer note A below

Note A

Land and Building are in the name of Avadh Snacks Private Limited and Red Rotopack Private Limited subsidiaries amalgamated with the Company pursuant to the scheme of amalgamation (Refer note 50) for which name change is in process.

Notes to the Standalone Financial Statements

Note b: Right-of-use assets

		Leasehold lands ₹ lakhs	Land and Buildings ₹ lakhs	Manufacturing facilities ₹ lakhs	Total ₹ lakhs
I	Gross carrying amount				
	As at 1 April 2021	**355.50**	**3,247.58**	**2,739.07**	**6,342.15**
	Additions	777.91	1,438.41	264.75	2,481.07
	Deletions	511.62	452.05	168.50	1,132.17
	As at 31 March 2022	**621.79**	**4,233.94**	**2,835.32**	**7,691.05**
	Additions	-	1,282.02	1,787.34	3,069.36
	Deletions	77.83	259.67	1,645.52	1,983.02
	As at 31 March 2023	**543.96**	**5,256.29**	**2,977.14**	**8,777.39**
II	Accumulated depreciation and impairment losses				
	As at 1 April 2021	**116.98**	**1,274.23**	**630.24**	**2,021.45**
	Depreciation charge for the year	128.49	665.39	830.65	1,624.53
	Deletions	69.37	292.52	69.38	431.27
	As at 31 March 2022	**176.10**	**1,647.10**	**1,391.51**	**3,214.71**
	Depreciation charge for the year	60.37	882.95	978.63	1,921.95
	Deletions	77.87	259.50	1,085.51	1,422.88
	As at 31 March 2023	**158.60**	**2,270.55**	**1,284.63**	**3,713.78**
III	Net carrying amount				
	As at 31 March 2023	**385.36**	**2,985.74**	**1,692.51**	**5,063.61**
	As at 31 March 2022	**445.69**	**2,586.84**	**1,443.81**	**4,476.34**

Note c: Net carrying amount

		As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
(i)	Property, plant and equipments		
	a. Owned assets	33,202.70	29,653.28
	b. Right-of-use assets	5,063.61	4,476.34
		38,266.31	**34,129.62**
(ii)	Capital work-in-progress	1,485.72	1,386.31

Note d: Capital work in progress Ageing Schedule

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	₹ lakhs
As at 31 March 2023					
Projects in progress	973.33	422.24	90.15	-	1,485.72
Projects temporarily suspended	-	-	-	-	-
	973.33	**422.24**	**90.15**	**-**	**1,485.72**
As at 31 March 2022					
Projects in progress	892.47	399.31	94.53	-	1,386.31
Projects temporarily suspended	-	-	-	-	-
	892.47	**399.31**	**94.53**	**-**	**1,386.31**

Notes to the Standalone Financial Statements

Note e: Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2023					
Expansion of namkeen plant	220.33	-	-	-	220.33
Building for Labour quarters	881.94	-	-	-	881.94
	1,102.27	**-**	**-**	**-**	**1,102.27**
As at 31 March 2022					
Expansion of namkeen plant	226.65	-	-	-	226.65
	226.65	**-**	**-**	**-**	**226.65**

NOTE 4: INTANGIBLE ASSETS

	Intangible assets under development	Computer softwares	Trade Name	Distributor Network	Total	Goodwill
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I Gross carrying amount						
As at 1 April 2021	**-**	**345.68**	**5,950.00**	**13,590.00**	**19,885.68**	**4,611.00**
Additions	-	66.83	-	-	66.83	-
Deletions	-	-	-	-	-	-
As at 31 March 2022	**-**	**412.51**	**5,950.00**	**13,590.00**	**19,952.51**	**4,611.00**
Additions	18.98	63.01	-	-	81.99	-
Deletions	-	-	-	-	-	-
As at 31 March 2023	**18.98**	**475.52**	**5,950.00**	**13,590.00**	**20,034.50**	**4,611.00**
II Accumulated amortisation and impairment losses						
As at 1 April 2021	**-**	**186.52**	**743.75**	**1,698.75**	**2,629.02**	**-**
Amortisation during the year	-	61.35	297.50	706.50	1,065.35	-
Deletions	-	-	-	-	-	-
As at 31 March 2022	**-**	**247.87**	**1,041.25**	**2,405.25**	**3,694.37**	**-**
Amortisation during the year	-	67.52	297.50	771.50	1,136.52	-
Deletions	-	-	-	-	-	-
As at 31 March 2023	**-**	**315.39**	**1,338.75**	**3,176.75**	**4,830.89**	**-**
III Net carrying amount						
As at 31 March 2023	**18.98**	**160.13**	**4,611.25**	**10,413.25**	**15,203.61**	**4,611.00**
As at 31 March 2022	**-**	**164.64**	**4,908.75**	**11,184.75**	**16,258.14**	**4,611.00**

Notes to the Standalone Financial Statements

Iv Net Carrying Amount

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
(i) Goodwill	4,611.00	4,611.00
(ii) Other Intangible assets		
(a) Intangible assets	15,184.63	16,258.14
(b) Intangible assets under development	18.98	-

Note a: Intangible assets under development Ageing Schedule

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	₹ lakhs
As at 31 March 2023					
Projects in progress	18.98	-	-	-	18.98
Projects temporarily suspended	-	-	-	-	-
	18.98	**-**	**-**	**-**	**18.98**
As at 31 March 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

Note b: Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan:

There are no Intangible Assets under development as on 31 March 2023 and 31 March 2022, whose completion is overdue or has exceeded its cost compared to its original plan:

Notes

(i) In accordance with the requirements of Ind AS 38 "Intangible assets", the Group had reassessed the useful life of distribution network and had revised the estimated useful life to 18 years from the existing useful life of 20 years on the basis of management's assessment of future economic benfefits. The effect of the said change was recognised prospectively w.e.f. 1 January 2022 as per the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Consequent to this change, depreciation and amortisation expenses was higher and net profit before tax was lower by ₹ 27.00 lakhs for the year ended 31 March 2022. Further, the basic and diluted earnings per share (not annualised) was lower by ₹ 0.11 for the year ended 31 March 2022.

(ii) In accordance with IND AS 36 "Impairment of Assets" the Group has assigned the carrying value of goodwill to the Avadh business (Cash Generating Unit ('CGU')). Based on the expected synergies in operations along with the manner in which the Company will manage its operations, the Company has reorganised the CGU to Avadh business (Previous year: Erstwhile subsidiary i.e. Avadh Snacks Private limited standalone business). Impairment testing of such Goodwill is performed by applying the value in use approach i.e. using cash flow projections based on financial budgets covering a period of 5 years.

Based on the results of the Goodwill impairment test, the estimated value in use for CGU was higher than the respective carrying amount, and accordingly no impairment loss has been recognised during the year (31 March 2022 - Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Goodwill.

Notes to the Standalone Financial Statements

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	As at 31 March 2023	As at 31 March 2022
Discount rate	12.50%	11.00%
Revenue growth rate for intial 5 years	15.00% to 17.00%	20.00% to 23.00%
Budgeted EBITDA rate	5.70% to 8.6%	2.40% to 6.10%
Terminal value growth rate	5.00%	5.00%

Discount rate (Pre Tax) - Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company).

Revenue growth rate and EBITDA rate - The growth rates and EBITDA rate used to estimate cash flows for the first five years are based on past performance, and based on the strategic plan.

Terminal growth rate - long-term average growth rate for the products, industries, or country in which the entity operates.

NOTE 5: FINANCIAL ASSETS - NON-CURRENT LOANS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Loans to related parties (Refer note 38 & 40)	1,827.40	1,763.66
	1,827.40	**1,763.66**

NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Margin money deposits*	1.74	0.61
Non-current bank balances being deposits with remaining maturity of more than twelve months	-	2,947.16
Subsidy receivable	1,581.08	2,087.59
Security deposits	671.26	619.22
	2,254.08	**5,654.58**

**Margin money deposits pertains to deposits given to various Government / statutory authorities as security.*

NOTE 7: OTHER TAX ASSETS (NET)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Advance income-tax [Net of provision for taxation: ₹ 6,019.47 Lakhs (As at 31 March 2022: ₹ 6,113.78 Lakhs)	821.02	154.24
	821.02	**154.24**

Notes to the Standalone Financial Statements

NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Capital advances:		
Considered good	1,798.17	583.43
Considered doubtful	370.60	372.51
Less: Provision for doubtful advances	(370.60)	(372.51)
Prepaid expenses	0.80	10.92
Balances with government authorities	153.24	55.07
	1,952.21	**649.42**

NOTE 9: INVENTORIES

(At cost or net realisable value, whichever is lower)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Raw materials	6,321.29	6,455.91
Packing materials	3,191.22	4,755.76
Finished goods [including stock-in-transit: ₹ 544.16 lakhs (As at 31 March 2022: ₹ 487.4 lakhs)]	3,216.33	2,621.99
Traded goods [including stock-in-transit: ₹ 6.14 lakhs (As at 31 March 2022: ₹ 3.48 lakhs)]	165.92	11.57
Stores, spares and other consumables	633.65	617.10
	13,528.41	**14,462.33**

Note:

During the year an amount of ₹ 20.19 lakhs (net) [31 March 2022: ₹ 5.81 lakhs (net)] was charged to statement of profit and loss on account of write down of inventories.

NOTE 10: TRADE RECEIVABLES

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Considered good - Unsecured	1,579.56	2,030.33
Credit impaired	1,100.37	522.72
Less: Allowance for credit losses (Refer Note 46)	(1,281.31)	(895.82)
	1,398.62	**1,657.23**

Note:

1. For terms and conditions relating to related party receivables, Refer Note 38.
2. For aging of trade receivable, Refer Note 46.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

Notes to the Standalone Financial Statements

NOTE 11: CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Balances with banks:		
In current accounts	2,031.38	1,890.31
Deposits with original maturity of less than three months	150.00	-
Cash on hand	6.78	6.25
	2,188.16	**1,896.56**

NOTE 12: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deposits with original maturity more than three months but upto twelve months	499.27	736.98
Margin money deposit*	215.14	580.43
Earmarked Balances with bank - unpaid dividend	0.29	0.29
	714.70	**1,317.70**

**Margin money deposits pertains to deposits given to various Government / statutory authorities as security.*

NOTE 13: FINANCIAL ASSETS - CURRENT LOANS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Loan to transporters:		
Unsecured considered good	-	-
Credit Impaired	4.79	4.79
Less: Allowances for credit losses	(4.79)	(4.79)
Loan to employees - Unsecured considered good	149.88	116.83
	149.88	**116.83**

NOTE 14: OTHER CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Subsidy receivable	1,072.44	839.85
Receivable for sale of Fixed Assets	44.50	-
Security deposits	37.61	11.94
Margin money deposit*	61.09	-
Deposits with original maturity more than twelve months and remaining maturity less than twelve months	3,098.77	4,323.49
	4,314.41	**5,175.28**

**Margin money deposits pertains to deposits given to various Government / statutory authorities as security.*

Notes to the Standalone Financial Statements

NOTE 15: OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Advances to vendors:		
Considered good	1,768.30	1,093.86
Considered doubtful	299.08	389.66
Less: Provision for doubtful advances	(299.08)	(389.66)
Prepaid expenses	105.27	91.24
Balances with government authorities	542.78	282.95
	2,416.35	**1,468.05**

NOTE 16: SHARE CAPITAL

(a) Authorised share capital

	Equity shares	
	No. in lakhs	₹ lakhs
Equity shares of ₹ 5 each		
As at 1 April 2021	**320.00**	**1,600.00**
Change in authorised share capital during the year	-	-
As at 31 March 2022	**320.00**	**1,600.00**
Change in authorised share capital during the year	215.00	1,075.00
As at 31 March 2023	**535.00**	**2,675.00**

(b) Issued, subscribed and fully paid-up equity share capital

	No. in lakhs	₹ lakhs
As at 1 April 2021 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**
Changes in equity share capital during the year	-	-
As at 31 March 2022 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**
Changes in equity share capital during the year (Refer Note 50)	-	-
As at 31 March 2023 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**

(c) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 (31 March 2022: ₹ 5) per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which may be subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at 31 March 2023		As at 31 March 2022	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
Equity shares				
SCI Growth Investment II	83.93	35.79%	83.93	35.79%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%
Malabar India Fund Limited	8.99	3.83%	15.04	6.41%

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

Notes to the Standalone Financial Statements

(e) Details of shares held by promoters in the Company

	As at 31 March 2023			As at 31 March 2022		
	No. in lakhs	% holding	% change during the year	No. in lakhs	% holding	% change during the year
Equity shares						
Arvind Mehta	5.76	2.46%	2.78%	5.60	2.39%	0.09%
Amit Kumat	6.29	2.68%	7.82%	5.83	2.49%	0.24%
Apoorva Kumat	6.13	2.61%	10.40%	5.55	2.37%	0.18%
Arun Mehta	5.72	2.44%	0.00%	5.72	2.44%	0.00%
Kanta Mehta	2.33	0.99%	0.00%	2.33	0.99%	0.00%
Naveen Mehta	9.04	3.86%	0.00%	9.04	3.86%	0.00%
Premlata Kumat	5.59	2.38%	0.00%	5.59	2.38%	0.00%
Rajesh Mehta	6.81	2.91%	0.00%	6.81	2.91%	0.00%
Rakhi Kumat	1.10	0.47%	0.00%	1.10	0.47%	0.00%
Rita Mehta	3.26	1.39%	0.00%	3.26	1.39%	0.00%
Sandhya Kumat	1.30	0.55%	0.00%	1.30	0.55%	0.00%
Swati Bapna	0.11	0.05%	-94.48%	2.04	0.87%	0.00%
SCI Growth Investment II	83.93	35.79%	0.00%	83.93	35.79%	0.00%
Sequoia Capital GFIV Mauritius Investments*	23.54	10.04%	0.00%	23.54	10.04%	0.00%
Sequoia Capital India Growth Investment Holdings I*	6.01	2.56%	0.00%	6.01	2.56%	0.00%

**Promoter group*

(f) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	-	-	-	-	155.91

31 March 2018 - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

(g) Shares issued under Prataap Employees Stock Appreciation Rights ('ESAR') Plan 2018

Refer Note 43 for details of shares issued under the ESAR Plan 2018.

(h) Dividend paid and proposed

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
Dividend on equity shares paid during the year		
Dividend for the year ended 31 March 2022: ₹ 0.50 per share (31 March 2021: ₹ 0.50 per share)	117.27	117.27

Notes to the Standalone Financial Statements

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
Proposed dividend on equity shares*		
Dividend for the year ended 31 March 2023: ₹ 1 per share (31 March 2022: ₹ 0.50 per share)	234.54	117.27

**Proposed dividend on equity shares are subject to approval of the shareholders at the ensuing Annual General Meeting and is not recognised as liability as at 31 March 2023.*

NOTE 17: OTHER EQUITY

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Securities premium	38,282.76	38,282.76
Retained earnings	24,512.25	22,444.14
Shares pending Issuance (Refer Note 50)	3,003.64	-
Employee stock appreciation rights reserve	623.27	502.10
	66,421.92	**61,229.00**

Securities premium

	₹ lakhs
As at 1 April 2021	**38,282.76**
As at 31 March 2022	**38,282.76**
As at 31 March 2023	**38,282.76**

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

Retained earnings

	₹ lakhs
As at 1 April 2021	**22,252.39**
Add: Profit for the year	285.91
Less: Other comprehensive income	23.11
Less: Amount utilised towards payment of dividend	(117.27)
As at 31 March 2022	**22,444.14**
Add: Profit for the year	2,026.25
Add: Other comprehensive income	47.97
Add: ESAR lapsed during the year	111.16
Less: Amount utilised towards payment of dividend	(117.27)
As at 31 March 2023	**24,512.25**

Retained earnings are the profits of the Company earned till date net of appropriations.

Shares pending Issuance

	₹ lakhs
As at 1 April 2021	**-**
As at 31 March 2022	**-**
Add: Shares pending Issuance	3,003.64
As at 31 March 2023	**3,003.64**

Notes to the Standalone Financial Statements

Employee stock appreciation rights reserve

	₹ lakhs
As at 1 April 2021	**584.96**
Add: Expense recognised during the year (Refer Note 43)	(82.86)
As at 31 March 2022	**502.10**
Add: Expense recognised during the year (Refer Note 43)	232.33
Less: ESAR lapsed during the year (Refer Note 43)	(111.16)
As at 31 March 2023	**623.27**

The Company has Prataap Employee Stock Appreciation Rights ('ESAR') Plan 2018 under which options to subscribe for the Company's shares have been granted to certain employees. The Employee stock appreciation rights reserve is used to recognise the value of equity-settled share-based payments provided to employees. The said reserve shall be utilised for issue of equity shares of the Company against the rights exercisable by the employees under the ESAR Plan 2018.

NOTE 18: BORROWINGS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Short term borrowings		
Loan repayable on demand		
- From Banks		
Unsecured		
Working capital loan (Refer Note 1 below)	300.00	3,008.22
	300.00	**3,008.22**

Note:

1. The Unsecured short term loan from a bank carries a rate of interest of 8.10% (31 March 2022 : 4.27%-4.55%) and interest is to be serviced as and when charged. The said loan is repayable on demand.

NOTE 19: PROVISIONS

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Non-current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 35)	440.76	452.05
Compensated absences	7.41	7.51
	448.17	**459.56**
Current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 35)	58.24	54.87
Compensated absences	16.75	17.12
	74.99	**71.99**

Notes to the Standalone Financial Statements

NOTE 20: DEFERRED TAX ASSETS / LIABILITIES

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
(a)	**Tax expense recognised in the statement of profit and loss**		
	Current tax	85.65	205.28
	Deferred tax (including Minimum Alternate Tax)	(30.10)	(735.12)
	Income tax expense reported in the statement of profit and loss	**55.55**	**(529.84)**
(b)	**Income tax related to items recognised in OCI during the year:**		
	Net gain/(loss) on remeasurements of defined benefit plan	25.77	10.97
	Income tax expense recognised in OCI	**25.77**	**10.97**
(c)	**Reconciliation of income tax expense and the accounting profit:**		
	Profit/(loss) before tax	146.35	(243.93)
	Income tax expense calculated at 34.944% (31 March 2022: 34.944%) being the statutory enacted rate	51.14	(85.24)
	Effect of:		
	Income not taxable during the tax holiday period	-	(335.61)
	Reversal of deferred tax on estimated temporary difference during the tax holiday period	110.04	101.45
	Expenses that is non-deductible in determining taxable profit	33.01	13.25
	Income not taxable in determining taxable profit	-	(194.96)
	Impact of lower tax rate applicable on subsidiary on account of New Tax Regime	-	84.07
	Deferred tax balances measured at lower rate on account of estimate of timing of transition to New Tax Regime	(100.87)	(128.21)
	Impact on account of Merger	(1,935.45)	
	Tax on other items	(37.77)	15.41
	Income tax expense recognised in statement of profit and loss	**(1,879.90)**	**(529.84)**

(d) The movement in deferred tax assets and liabilities during the year ended 31 March 2023 and 31 March 2022:

		As at 1 April 2022 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2023 ₹ lakhs
Deferred tax assets in relation to:					
(i)	Allowances for credit losses and doubtful receivables	(541.35)	(142.00)	-	(683.35)
(ii)	Provision for employee benefits	(224.09)	(40.32)	25.77	(238.64)
(iii)	Carry forward of unabsorbed depreciation	(10.52)	(616.06)	-	(626.58)
(iv)	Carry forward of business loss	(6.81)	(1.33)	-	(8.14)
(v)	Lease liabilities	(1,739.92)	(245.12)	-	(1,985.04)
(vi)	Other items giving rise to temporary differences	(381.08)	272.20	-	(108.88)
		(2,903.77)	**(772.63)**	**25.77**	**(3,650.63)**

Notes to the Standalone Financial Statements

		As at 1 April 2022 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2023 ₹ lakhs
Deferred tax liabilities in relation to:					
(i)	Difference between book base and tax base related to the property, plant and equipments and intangible assets including government grants	5,699.32	(1,260.01)	-	4,439.30
(ii)	Right of use assets	1,533.43	193.96	-	1,727.39
		7,232.75	**(1,066.05)**	**-**	**6,166.69**
Deferred Tax liability / (asset)		**4,328.98**	**(1,838.68)**	**25.77**	**2,516.06**
(i)	MAT Credit entitlement	(1,767.54)	53.93	-	(1,713.61)
Net Deferred Tax liability / (asset)		**2,561.44**	**(1,784.75)**	**25.77**	**802.45**

		As at 1 April 2021 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deferred tax assets in relation to:					
(i)	Allowances for credit losses and doubtful receivables	(426.23)	(115.12)	-	(541.35)
(ii)	Provision for employee benefits	(220.81)	(14.25)	10.97	(224.09)
(iii)	Carry forward of unabsorbed depreciation	(9.05)	(1.47)	-	(10.52)
(iv)	Carry forward of business loss	(5.87)	(0.94)	-	(6.81)
(v)	Lease liabilities	-	(1,739.92)	-	(1,739.92)
(vi)	Other items giving rise to temporary differences	(104.65)	(276.43)	-	(381.08)
		(766.61)	**(2,148.13)**	**10.97**	**(2,903.77)**
Deferred tax liabilites in relation to:					
(i)	Difference between book base and tax base related to the property, plant and equipments and intangible assets including government grants	5,797.36	(98.04)	-	5,699.32
(ii)	Right of use assets	(141.69)	1,675.12	-	1,533.43
		5,655.67	**1,577.08**	**-**	**7,232.75**
Deferred Tax liability / (asset)		**4,889.06**	**(571.05)**	**10.97**	**4,328.98**
(i)	MAT Credit entitlement	(1,603.47)	(164.07)	-	(1,767.54)
Net Deferred Tax liability / (asset)		**3,285.59**	**(735.12)**	**10.97**	**2,561.44**

The rate used for calculation of Deferred tax is 34.944% and 25.17% for deferred tax expected to be reversed in the New Tax Regime, being statutory enacted rates at Balance Sheet date.

Notes to the Standalone Financial Statements

Disclosure in the balance sheet:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deferred tax assets	(5,364.24)	(4,671.31)
Deferred tax liabilities	6,166.69	7,232.75
Deferred tax liabilities / (assets) (net)	**802.45**	**2,561.44**

NOTE 21: OTHER NON-CURRENT LIABILITIES

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deferred government grant	2,131.72	2,469.09
	2,131.72	**2,469.09**
At 1 April	**2,804.72**	**2,304.05**
Received during the year	-	836.30
Recognised in the statement of profit and loss (Refer Note 26)	(336.50)	(335.63)
At 31 March	**2,468.22**	**2,804.72**
The above amount is classified as:		
Non current	2,131.72	2,469.09
Current	336.50	335.63
	2,468.22	**2,804.72**

NOTE 22: TRADE PAYABLES

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Total outstanding dues of micro enterprises and small enterprises	843.94	839.69
Total outstanding dues of trade payables other than micro enterprises and small enterprises	9,537.42	8,174.56
	10,381.36	**9,014.25**

a. **Trade payables are non interest bearing and are normally settled in 0 to 45 days terms.**

b. **Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:**

		As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
(a)	Principal amount remaining unpaid	843.94	839.69
(b)	Interest due thereon remaining unpaid	-	-
(c)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(e)	Interest accrued and remaining unpaid	-	-
(f)	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 enterprises	-	-

Notes to the Standalone Financial Statements

c. Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment						Total
	Unbilled ₹ lakhs	Not Due ₹ lakhs	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	₹ lakhs
As at 31 March 2023							
Total outstanding dues of micro enterprises and small enterprises	12.35	652.54	179.05	-	-	-	843.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,534.36	4,124.65	3,765.99	32.39	18.28	61.75	9,537.42
Disputed dues of micro enterprises and small enterprises	-		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-		-	-	-	-	-
	1,546.71	**4,777.19**	**3,945.04**	**32.39**	**18.28**	**61.75**	**10,381.36**
As at 31 March 2022							
Total outstanding dues of micro enterprises and small enterprises	-	620.61	219.08	-	-	-	839.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	763.71	4,249.34	3,046.02	20.19	87.82	0.82	8,167.90
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	6.66	6.66
	763.71	**4,869.95**	**3,265.10**	**20.19**	**87.82**	**7.48**	**9,014.25**

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Creditors for capital goods	206.54	235.72
Security deposits	-	100.00
Dividend payable	0.37	0.33
Employee payables	706.52	544.18
Deferred contingent consideration (Refer Note 45)	-	3,003.64
	913.43	**3,883.87**

NOTE 24: OTHER CURRENT LIABILITIES

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Contract liabilities	1,772.86	987.07
Statutory dues	694.53	522.44
Deferred government grant (Refer Note 21)	336.50	335.63
	2,803.89	**1,845.14**

Notes to the Standalone Financial Statements

NOTE 25: CURRENT TAX LIABILITIES (NET)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Income tax provision [Net of advance tax: ₹ Nil lakhs (31 March 2022: 35.20 lakhs)]	-	6.01
	-	**6.01**

NOTE 26: REVENUE FROM OPERATIONS

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Sale of products		
(a) Finished goods	1,63,634.01	1,37,864.03
(b) Traded goods	536.90	445.74
	1,64,170.91	**1,38,309.77**
Other operating revenues		
(c) Sale of starch	80.41	69.53
(d) Scrap sales	443.21	318.17
(e) Government grant (Refer Note 21 and Note 41)	431.27	741.34
(f) Other operating income	167.42	223.12
	1,122.31	**1,352.16**
	1,65,293.22	**1,39,661.93**
Out of above		
Revenue from contracts with customers	1,64,694.53	1,38,697.47
Other revenue	598.69	964.46
	1,65,293.22	**1,39,661.93**

Note A: Reconciliation of revenue recognised with contract price

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Contract price	1,67,887.27	1,41,882.07
Adjustments for variable consideration:		
Discount and rebates	(3,192.74)	(3,184.60)
Revenue from contract with customers	**1,64,694.53**	**1,38,697.47**

Note B: Disaggregation of revenue

The Company has a single stream of revenue i.e. sale of products. However, the Company has export operations spread across geographical area, viz. in India and outside India, details of which is as under:

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
India	1,64,593.74	1,38,511.58
Outside India	100.79	185.89
	1,64,694.53	**1,38,697.47**

Notes to the Standalone Financial Statements

Disaggregated information of revenue from sale of products (excluding scrap sales and sale of starch) among different product categories is as follows:

Product groups	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Extruded Namkeen	94,479.98	81,448.85
Traditional Namkeen	26,703.65	21,643.03
Potato Chips	37,587.80	31,126.54
Sweet Snacks	4,367.57	3,476.26
Others	1,031.91	615.09
	1,64,170.91	**1,38,309.77**

Note C: Contract balances

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
(i) Trade receivables (pertaining to contract with customers)	1,398.62	1,657.23
(ii) Contract liabilities	1,772.86	987.07
At the beginning of the year	**987.07**	**638.50**
Add: Received during the year	1,772.86	987.07
Less: Recognised as revenue out of amount recognised as contract liabilities as at the beginning of the period	(987.07)	(638.50)
At the end of the year	**1,772.86**	**987.07**

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised products.

NOTE 27: OTHER INCOME

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Interest income under the effective interest method on:		
Bank deposits	332.16	384.96
Unwinding of financial assets	217.76	307.74
Others	145.20	120.86
Gain on Fair valuation of financial liability	-	554.35
Net gain/ Loss on derecognition of lease liability and ROU assets	75.86	-
	770.98	**1,367.91**

NOTE 28: COST OF MATERIALS CONSUMED

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Inventory at the beginning of the year	11,211.67	10,706.48
Add: Purchases	1,17,402.81	1,04,726.55
	1,28,614.48	**1,15,433.03**
Less: Inventory at the end of the year	(9,512.51)	(11,211.67)
Cost of materials consumed	**1,19,101.97**	**1,04,221.36**

Notes to the Standalone Financial Statements

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Opening stock		
Finished goods	2,621.99	1,765.47
Traded goods	11.57	7.42
	2,633.56	**1,772.89**
Less: Closing stock		
Finished goods	3,216.33	2,621.99
Traded goods	165.92	11.57
	3,382.25	**2,633.56**
(Increase) / Decrease in inventories of Finished goods and Traded goods	**(748.69)**	**(860.67)**

NOTE 30: EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Salaries, wages and bonus	6,513.03	5,173.83
Employee stock appreciation rights expense (Refer Note 43)	232.33	(82.86)
Contribution to provident and other funds	386.56	314.23
Gratuity expense (Refer Note 35)	91.28	91.48
Staff welfare expenses	317.44	221.49
	7,540.64	**5,718.17**

NOTE 31: FINANCE COSTS

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	107.53	125.06
Lease liabilities (Refer Note 36)	514.82	500.18
Other finance costs	32.20	46.58
	654.55	**671.82**

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Depreciation on property, plant and equipments (Refer Note 3)	3,154.44	2,687.30
Depreciation on right of use asset (Refer Note 3)	1,921.95	1,624.53
Amortisation of intangible assets (Refer Note 4)	1,136.52	1,065.35
	6,212.91	**5,377.18**

Notes to the Standalone Financial Statements

NOTE 33: OTHER EXPENSE

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Consumption of stores, spares and other consumables	1,334.58	1,338.11
Security charges	311.92	309.96
Housekeeping charges	233.00	220.15
Power and fuel	3,700.03	2,986.76
Contract labour expenses	6,755.59	3,931.49
Freight and forwarding charges	10,997.85	9,194.56
Rent / lease rent (Refer Note 36)	184.40	142.74
Rates and taxes	24.78	73.25
Insurance charges	143.69	116.83
Job work charges	3,511.43	2,196.31
Repairs and maintenance		
- Plant and machinery	732.28	581.24
- Buildings	171.50	153.26
- Others	359.41	304.64
Advertisement and sales promotion	1,363.55	1,080.68
Trade receivables written off	0.56	-
Travelling and conveyance	815.78	517.27
Printing and stationery	56.14	36.41
Legal and professional fees	520.39	372.54
Payment to auditor	119.20	75.74
Loss on sale / discard of property, plant and equipments	24.55	0.28
Corporate social responsibility expenditure	67.80	93.00
Independent directors sitting fees and commission	44.50	55.18
Miscellaneous expenses	448.83	218.06
	31,921.76	**23,998.46**

A Payment to the auditor (excluding Goods and Service Tax):

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
As auditor:		
Audit fee*	99.00	64.60
Tax audit fee	4.00	5.00
Others	12.00	-
In other capacity:		
Certification fees*	-	3.50
Reimbursement of expenses*	4.20	2.64
	119.20	**75.74**

** Amount for previous year includes ₹ 7.63 lakhs paid to erstwhile auditors*

Notes to the Standalone Financial Statements

B Details of Corporate Social Responsibility as per section 135 (5) of the Act and Rules made thereunder:

During the year, the Company has spent ₹ 67.80 lakhs (Year Ended 31 March 2022 : ₹ 93.00 lakhs) towards Corporate Social Responsibility as prescribed under Section 135 of the Act. The details are:

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
1)	Gross amount required to be spent by the Company during the year	67.80	93.00
2)	Amount spent by the Company during the year		
	Construction/acquisition of any asset	-	-
	On purposes other than above	67.80	93.00
3)	Amount remaining to be spent by the Company during the year	-	-

NOTE 34: EARNINGS PER SHARE ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent 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 of the parent 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 income and shares data used in the basic and diluted EPS computations:

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
(a)	Profit attributable to equity holders of the parent	2,026.25	285.91
(b)	Weighted average number of equity shares outstanding for computing basic EPS	234.53	234.53
(c)	Effect of potential equity shares on Employee Stock Appreciation Rights ('ESAR')*	-	-
(d)	Effect of equity shares pending to be issued on account of business combination	4.07	-
(e)	Weighted average number of equity shares outstanding for computing diluted EPS [(b) + (c) +(d)]	**238.59**	**234.53**
EPS (in ₹)			
Basic (Face value of ₹ 5 each)		8.49	1.22
Diluted (Face value of ₹ 5 each)		8.49	1.22

** ESAR are anti-dilutive in nature and accordingly, the same has not been considered for the purpose of calculation of Diluted EPS.*

NOTE 35: EMPLOYEE BENEFITS

(a) Defined contribution plans

a. Provident fund

The Company makes provident fund contributions to defined contribution plan for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs. The Company has no obligation, other than the contribution payable to the fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Notes to the Standalone Financial Statements

The Group has recognised following amounts as expense in the statement of profit and loss :

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Included in contribution to provident and other funds under Employees benefit expenses		
Provident fund	351.75	278.92

(b) Defined benefit plans

Gratuity - Non-funded

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is unfunded.

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Current	58.24	54.87
Non-current	440.76	452.05
	499.00	**506.92**

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for gratuity:

			Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
I	**(a)**	**Expense recognised in the statement of profit and loss**		
		Current service cost (Refer Note 30)	91.28	91.48
		Interest cost on benefit obligation (Refer Note 31)	33.38	29.91
		Components of defined benefit costs recognised in statement of profit and loss	**124.66**	**121.39**
	(b)	**Included in other comprehensive income**		
		Actuarial (gain) / loss for the year on defined benefit obligation		
		Actuarial (gain) / loss due to change in financial assumptions	(20.28)	(26.16)
		Actuarial (gain) / loss due to experience adjustments	(53.46)	(7.92)
		Actuarial (gain) / loss recognised in other comprehensive income	**(73.74)**	**(34.08)**
II	**Change in present value of defined benefit obligation during the year**			
	1.	Present value of defined benefit obligation at the beginning of the year	506.92	491.97
	2.	Interest cost	33.38	29.91
	3.	Current service cost	91.28	91.48
	4.	Benefits paid	(58.84)	(71.86)
	5.	Actuarial gain / (loss) on obligation	(73.74)	(34.08)
	6.	Present value of defined benefit obligation at the end of the year	**499.00**	**506.92**

Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy deviced for the plan.

Notes to the Standalone Financial Statements

The principal assumptions used in determining gratuity liability for the Company are shown below:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Discount rate (%)	7.45%	6.95%
Future salary increases:	7.00%	7.00%
Mortality	Indian assured lives mortality (2012-14) table	Indian assured lives mortality (2012-14) table
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	(18.89)	(20.08)
Impact of 0.50% decrease in rate	20.28	21.64

	Future salary increases	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	18.15	19.10
Impact of 0.50% decrease in rate	(17.51)	(18.39)

	Withdrawal rate	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Impact on defined benefit obligation		
Impact of 10% increase in rate	0.15	(1.11)
Impact of 10% decrease in rate	(0.38)	1.05

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Notes to the Standalone Financial Statements

The following payments are expected in future years:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Within the next 12 months (next annual reporting period)	58.24	54.87
Between 2 and 5 years	182.27	164.83
Beyond 5 years	230.26	240.95

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.52 years (As at 31 March 2022: 8.60 years).

NOTE 36: LEASES

i) Company as a lessee

The Company has lease contracts for land, building and manufacturing facilities with lease term ranging between 2 to 10 years. There are certain lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Company also has certain leases of office premises and warehouses with lease term of 12 months or less and those of low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions as available in Ind AS 116 'Leases' for these leases.

a) Amounts recognised in profit and loss

The following amounts are recognised in the statement of profit or loss

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Depreciation of Right-of-use assets	1,921.95	1,624.53
Interest on lease liabilities	514.82	500.18
Expenses related to short term leases and leases of low - value assets	184.40	142.74
	2,621.17	**2,267.45**

b) The carrying amounts of lease liabilities and the movements during the year:

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
As at 1 April	**4,979.73**	**4,710.41**
Addition during the year	3,024.19	2,409.28
Derecognised during the year	(635.77)	(700.90)
Accretion of interest	514.82	500.18
Payments	(2,201.68)	(1,939.24)
As at 31 March	**5,681.29**	**4,979.73**
The above amount is classified as:		
Non-current	3,926.83	3,572.41
Current	1,754.46	1,407.32
	5,681.29	**4,979.73**

Refer Note 3(b) for additions to Right-Of-Use Assets and the carrying amount of Right-Of-Use Assets as at the year end. Further, Refer Note 46 for maturity analysis of lease liabilities.

Notes to the Standalone Financial Statements

c) Amount as per the Statement of Cash Flows:

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Repayment of lease liabilities	1,686.86	1,439.06
Interest paid on lease liabilities	514.82	500.18
Short term leases, leases of low value assets and variable lease payments	184.40	142.74
Total Cash outflow for leases	**2,386.08**	**2,081.98**

NOTE 37: COMMITMENTS AND CONTINGENCIES

I. Capital commitments

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,477.43	642.99

II. Other commitments

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
(a) Preservation charges payable to cold storage owners	472.17	393.22

III. Contingent liabilities (to the extent not provided for)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Claims against the Company not acknowledged as debts		
Disputed Goods and Service Tax liability*	1,313.06	-
Provident fund**	Amount not determinable	Amount not determinable
	1,313.06	**-**

Notes:

** The Company received an demand order from the Commercial Tax department "GST" Madhya Pradesh regarding the classification issue for product category "Fried Namkeen - Fryums". The Company has filed an appeal against the said order before Joint Commissioner (Appeals) which is pending for disposal as at year end.*

*** There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its standalone financial statement, the Company has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1 March 2019 i.e., immediately after pronouncement of the judgement. The Company will evaluate its position, in case there is any other interpretation issued in future either in form of Social Security Code 2020, or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.*

****The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are notified.*

The Company, in respect of the above mentioned contingent liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

Notes to the Standalone Financial Statements

NOTE 38: RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship

(a)	**Related parties where control exists:**	Nil
(b)	**Other related parties with whom transactions have taken place during the current year or previous year:**	
	Enterprise having significant influence	SCI Growth Investment II
	Key management personnel ("KMP")	Mr. Arvind Mehta, Chairman and Executive Director
		Mr. Amit Kumat, Managing Director and Chief Executive Officer
		Mr. Apoorva Kumat, Executive Director - Operations
		Mrs. Anisha Motwani, Independent Director
		Mr. Vineet Kumar Kapila, Independent Director
		Mr. Haresh Ram Chawla, Independent Director (till 15 June 2021)
		Mr. Chetan Kumar Mathur, Independent Director
		Mr. Bharadwaj Thiruvenkata Venkatavaraghavan, Independent Director
	Relatives of key management personnel	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta
		Mr. Naveen Mehta, Brother of Mr. Arvind Mehta
		Mr. Arun Mehta, Brother of Mr. Arvind Mehta
		Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta
		Mrs. Rita Mehta, Wife of Mr. Arun Mehta
		Mrs. Premlata Kumat, Mother of Mr. Amit Kumat
		Mrs. Swati Bapna, Sister of Mr. Amit Kumat
		Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat
		Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat
		Mr. Satvik Kumat, Son of Mr. Apoorva Kumat
	Company in which relatives of KMP have control	Vyapaar Vistar Tech Private Limited
(c)	**Enterprise where control over the composition of governing body exists**	Prataap Snacks Employees Welfare Trust

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

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
a.	**Interest income**		
	Enterprise where control over the composition of governing body exists	88.18	87.18
		88.18	**87.18**
b.	**Remuneration - short term employee benefits**		
	Key managerial personnel*#	270.00	247.50
	Independent directors sitting fees and commission (including reimbursement of expenses)**	44.50	55.18
		314.50	**302.68**

** Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.*

*** Includes provision for commission payable to Independent Directors amounting to ₹ 20 lakhs (31 March 2022: ₹ 20 lakhs)*

 # Managerial remuneration to key managerial personnel for the year ended 31 March 2023 is in excess of limit laid down under section 197 of the Companies act, 2013. As per the relevant provsions of the act, the Company has obtained the approval for this excess amount by way of a special resolution from the shareholders through postal ballot on 23 May 2023.

Notes to the Standalone Financial Statements

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
c.	**Dividend paid**		
	Enterprise having significant influence	41.97	41.97
	Key managerial personnel	8.48	8.48
	Relatives of key management personnel	18.60	18.60
		69.05	**69.05**
d.	**Loan repayment received**		
	Enterprise where control over the composition of governing body exists	23.41	138.32
		23.41	**138.32**
e.	**Services received**		
	Company in which relatives of KMP have control	289.81	81.28
		289.81	**81.28**

		As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
f.	**Closing balances**		
	Loans receivables		
	Enterprise where control over the composition of governing body exists	1,827.40	1,763.66
		1,827.40	**1,763.66**
	*Includes interest accrued amounting to ₹ 720.86 lakhs (As at 31 March 2022: ₹ 643.01 lakhs)]		
	Advance to vendors		
	Company in which relatives of KMP have control	35.58	-
		35.58	**-**
	Remuneration Payable		
	Key managerial personnel*#	29.29	15.40
		29.29	**15.40**

Terms and conditions of transactions with related parties

The Company's material related party transactions and outstanding balances are with related parties with whom the Company's routinely enters into transactions in the ordinary course of business.

Notes to the Standalone Financial Statements

NOTE 39: SEGMENT INFORMATION

For management purpose, the Company comprise of only one reportable segment – Snacks food. The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

A Information about products and services

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	1,63,634.01	1,37,864.03
Traded goods	536.90	445.74
	1,64,170.91	**1,38,309.77**

B Information about geographical areas

	Sale of goods ₹ lakhs	Non current assets ₹ lakhs
Year ended 31 March 2023		
India	1,64,070.12	59,566.64
Outside India	100.79	-
Total	**1,64,170.91**	**59,566.64**
Year ended 31 March 2022		
India	1,38,123.88	56,385.07
Outside India	185.89	-
Total	**1,38,309.77**	**56,385.07**

C Notes

1. Segment revenue in the geographical segments considered for disclosure are as follows:
   a) Revenue within India includes sales to customers located within India.
   b) Revenue outside India includes sales to customers located outside India.

2. The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.

3. Non current assets consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

NOTE 40: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE ACT

Included in financial assets are certain loans the particulars of which are disclosed below as required by Section 186(4) of the Act

Name of the loanee	Rate of interest	Due date	Opening balance* ₹ lakhs	Loan given ₹ lakhs	Loan repaid ₹ lakhs	Closing balance* ₹ lakhs
Prataap Snacks Employees Welfare Trust ('PSEWT')						
Year ended 31 March 2023	5%	31 March 2025	1,120.65	-	13.09	1,107.56
Year ended 31 March 2022	5%	31 March 2025	1,187.15	-	66.50	1,120.65

**Excludes interest accrued amounting to ₹ 719.84 lakhs (As at 31 March 2022: ₹ 643.01 lakhs)]

Notes to the Standalone Financial Statements

Purpose of loan - The loan has been given to PSEWT for further advancement to the employees of the Company for purchase of Company's share under erstwhile Employee Stock Purchase Plan.

NOTE 41: GOVERNMENT GRANTS

Government grant consists of GST incentive amounting to ₹ 94.77 lakhs (31 March 2022: ₹ 65.95 lakhs), freight subsidy amounting to Nil (31 March 2022: ₹ 336.78 lakhs) and capital subsidy amounting to ₹ 336.50 lakhs (31 March 2022: ₹ 338.61 lakhs). There are no unfulfilled conditions or contingencies attached to these grants.

NOTE 42: EXCEPTIONAL ITEM

There was a fire accident in one of the Company's plants situated at Howrah, West Bengal, on 3 November 2021. The fire has severely impacted the building, plant & machinery, leasehold improvements, and inventories lying at the plant; however, there were no human causalities. The total impact of this event was ₹ 1,393.76 lakhs. Considering the nature of the event and magnitude of impact, this amount was disclosed as an exceptional item in the statement of profit and loss for the year ended 31 March 2022. Pending completion of the survey and acceptance of the claim by the insurance company, the insurance claim receivable has not been recorded in the financial statements.

NOTE 43: EMPLOYEE STOCK PURCHASE PLAN

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on 9 August 2019, 4 February 2022 and 19 August 2022 have granted 3,47,000, 59,800 and 2,00,821 Stock Appreciation Rights ('SAR') respectively to eligible employees of the Company under the Prataap Employees Stock Appreciation Rights Plan 2018 ('ESAR'). The said ESAR was approved by the shareholders in their Annual General Meeting held on 28 September 2018. The rights entitle the employees, to equity shares of the Company on the satisfaction of service conditions attached to the grant and consequent exercise of the rights by the employees. The SAR's shall be vested in four equal instalments every year commencing from the end of one year from the grant date. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise. The SAR's expire at the end of 5 years from the grant date.

Movement during 31 March 2023

Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	2,50,166	775 - 842.70	791.18	3.42
Granted during the year	2,00,821	767.00	767.00	4.33
Forfeited / Cancelled during the year	27,283	775.00	775.00	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	4,23,704	767 - 842.70	780.76	3.36
Exercisable at the end of the year	1,40,040	775 - 842.70	782.23	1.50

Movement during 31 March 2022

Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,47,000	775.00	775.00	3.86
Granted during the year	59,800	842.70	842.70	5.35
Forfeited / Cancelled during the year	1,56,634	775.00	775.00	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,50,166	775 - 842.70	791.18	3.42
Exercisable at the end of the year	1,00,761	775.00	775.00	1.89

Notes to the Standalone Financial Statements

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of SAR's to employees. The fair value of SAR's is estimated on the date of grant using the Black Scholes model. The fair value of SAR's and inputs used in the measurement of fair values on the grant date are as follows:

	Grant Date		
	09 August 2019	04 February 2022	19 August 2022
Fair value at the grant date	257.24	241.45	225.61
Share price at the grant date	778.45	842.70	767.85
Exercise Price	775.00	842.00	767.00
Risk Free Interest Rate	6.02%	5.05%	6.49%
Expected Life (in years)	4.01	2.50	2.50
Expected Volatility	30.25%	39.86%	38.47%
Dividend Yield	0.13%	0.09%	0.09%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

Amount recognised in the standalone financial statement related to employee stock appreciation rights

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
Employee stock appreciation rights expense - included in Employee benefits expense (Refer Note 30)	232.33	(82.86)
Carrying amount of Employee stock appreciation rights reserve - included in Other Equity (Refer Note 17)	623.27	502.10

NOTE 44: FAIR VALUES

	Note	Carrying value	
		As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Financial assets			
Measured at Amortised Cost			
Loans	5, 13	1,977.28	1,880.49
Subsidy receivable	6, 14	2,653.52	2,927.44
Trade receivables	10	1,398.62	1,657.23
Cash and cash equivalents	11	2,188.16	1,896.56
Bank balance other than cash and cash equivalents	12	714.70	1,317.70
Other financial assets	6, 14	3,914.97	7,902.42
		12,847.25	**17,581.84**

Notes to the Standalone Financial Statements

	Note	Carrying value As at 31 March 2023 ₹ lakhs	 As at 31 March 2022 ₹ lakhs
Financial liabilities			
Measured at Amortised Cost			
Lease liabilities	36	5,681.29	4,979.73
Borrowings	18	300.00	3,008.22
Trade payables	22	10,381.36	9,014.25
Other financial liabilities	23	913.43	880.23
		17,276.08	**17,882.43**
Measured at Fair value through profit and loss			
Deferred contingent consideration (Refer Note 50)	19, 23	-	3,003.64
		-	**3,003.64**

The management assessed that fair value of trade receivables, other current financial assets, current loans, cash and bank balances, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Loans and other financial assets are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability as at the balance sheet date.

NOTE 45: FAIR VALUE HIERARCHY

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

		As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
I)	**Financial assets/liabilities at amortised cost**		
	The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except subsidy receivables for which the fair value are as follows:		
	Fair value of subsidy measured at amortised cost (Level 2)	2,271.97	2,532.14
II)	**Financial liabilities at fair value through profit & loss**		
	Deferred contingent consideration (Refer Note 50) (Level 3)	-	3,003.64

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

There are no transfers between different fair value hierarchy levels in 31 March 2023 and 31 March 2022.

Notes to the Standalone Financial Statements

Fair value measurements

The following table shows the valuation technique used in measuring level 2 and level 3 values for financial instruments

Financial Asset / Liabilities	Valuation Technique	Significant unobservable inputs
Subsidy Receivable (Level 2)	The valuation model considers the present value of expected future cash flows discounted using discount rate as on the reporting date	Not Applicable
Deferred contingent consideration (Refer Note 50) (Level 3)	31- March 2022 - The valuation model considers the estimate of present value of maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited.	Discount rate 31 March 2023 - NA 31 March 2022 - 11.00% Expected profitability 31 March 2023 - NA 31 March 2022 - 15.00%

Sensitivity Analysis (Level 3 fair values)	Sensitivity	Significant unobservable inputs
Deferred contingent consideration (Refer Note 50)	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 40.00 lakhs	Discount rate
	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 44.00 lakhs	Expected profitability

A reconciliation of fair value measurement of the deferred contingent consideration is provided below:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Opening balance as at 1 April	3,003.64	3,557.99
'Change in the fair value during the year recognised in the statement of profit and loss (unrealised) (Refer Note 27)	-	(554.35)
Shares pending issuance pursuant to scheme of amalgamation (Refer Note 50)	(3,003.64)	
Closing balance as at 31 March	**-**	**3,003.64**

NOTE 46: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, subsidy receivable, cash and cash equivalents, trade receivables and other receivables that are derived directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance 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. The Board of Directors review and agree policies for managing each of these risks.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and price risk, such as equity price risk. The Company is not significantly exposed to currency risk and price risk whereas the exposure to interest risk is given below.

Notes to the Standalone Financial Statements

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings.

	Carrying value	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Borrowings (variable interest rate)	300.00	3,008.22

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for term loans that have floating rate at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If the interest rates had been 100 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	Year ended 31 March 2023		Year ended 31 March 2022	
	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs
Interest expenses on loan	0.01	(0.01)	2.21	(2.21)
Effect on profit before tax and equity	(0.01)	0.01	(2.21)	2.21

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk arising on its trade receivables. Based on the historical experience and credit profile of counterparties (schedule banks, government and employees), the Company does not expect any significant risk of defaults arising on financial assets except trade receivables i.e. loans, subsidy receivables, cash and cash equivalents and other financial assets.

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Trade receivables	1,398.62	1,657.23
	1,398.62	**1,657.23**

Refer Note a below for credit risk and other information in respect of trade receivables.

a. **Trade receivables**

Customer credit is managed by the Company through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date, the further shipments are controlled and can only be released if there is a proper justification.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Based on the industry practices and the business environment in which the

Notes to the Standalone Financial Statements

Company operate, management considers the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2023							
Undisputed Trade Receivables – considered good	-	1,455.67	123.89	-	-	-	1,579.56
Undisputed Trade receivable – credit impaired	-	-	-	588.33	67.27	290.08	945.68
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	12.68	2.11	-	139.90	154.69
	-	**1,455.67**	**136.57**	**590.44**	**67.27**	**429.98**	**2,679.93**
Expected loss rate	0.00%	4.71%	91.62%	100.00%	100.00%	100.00%	
Loss allowance provision	**-**	**68.50**	**125.12**	**590.44**	**67.27**	**429.98**	**1,281.31**
As at 31 March 2022							
Undisputed Trade Receivables – considered good	-	1,665.88	364.45	-	-	-	2,030.33
Undisputed Trade receivable – credit impaired	-	-	-	93.93	143.64	215.18	452.75
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	4.00	3.63	62.34	69.97
	-	**1,665.88**	**364.45**	**97.93**	**147.27**	**277.52**	**2,553.05**
Expected loss rate	0.00%	1.98%	94.14%	96.90%	100.00%	100.00%	
Loss allowance provision	**-**	**33.06**	**343.08**	**94.89**	**147.27**	**277.52**	**895.82**

Reconciliation of loss allowance provision for trade receivables

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Balance as at beginning of the year	895.82	474.63
Add/ (less): Provision for expected credit losses	385.49	421.19
Balance at end of the year	**1,281.31**	**895.82**

Notes to the Standalone Financial Statements

Liquidity Risk

(i) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's principle sources of liquidity are cash and bank balances, fixed deposits and the cash flow that is generated from operations. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, liquidity risk is considered as low. The Company closely monitors its liquidity position and also maintains adequate source of funding.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Carrying value ₹ lakhs	Less than 1 Year ₹ lakhs	1 - 5 Years ₹ lakhs	More than 5 years ₹ lakhs	Total ₹ lakhs
As at 31 March 2023					
Non-Current liabilities:					
(i) Lease liabilities	3,926.83	-	3,863.52	675.89	4,539.41
Current liabilities:					
(i) Borrowings	300.00	300.00	-	-	300.00
(ii) Lease liabilities	1,754.46	2,156.69	-	-	2,156.69
(iii) Trade payables	10,381.36	10,381.36	-	-	10,381.36
(iv) Other financial liabilities	913.43	913.43	-	-	913.43
	17,276.08	**13,751.48**	**3,863.52**	**675.89**	**18,290.87**
As at 31 March 2022					
Non-Current liabilities:					
(i) Lease liabilities	3,572.41	-	3,428.21	869.82	4,298.03
Current liabilities:					
(i) Borrowings	3,008.22	3,008.22	-	-	3,008.22
(ii) Lease liabilities	1,407.32	1,798.01	-	-	1,798.01
(iii) Trade payables	9,014.25	9,014.25	-	-	9,014.25
(iv) Other financial liabilities	3,883.87	3,883.87	-	-	3,883.87
	20,886.07	**17,704.35**	**3,428.21**	**869.82**	**22,002.37**

Notes to the Standalone Financial Statements

Changes in liabilities arising from financing activities:

	As at 1 April 2022	Non Cash Changes			Cash flow changes	As at 31 March 2023
		Accretion of interest	New leases recognised during the year	Leases derecognised during the year		
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Lease liabilities	4,979.73	514.82	3,024.19	(635.77)	(2,201.69)	5,681.28
Borrowings	3,008.22	-	-	-	(2,708.22)	300.00
	7,987.95	**514.82**	**3,024.19**	**(635.77)**	**(4,909.91)**	**5,981.28**

	As at 1 April 2021	Non Cash Changes			Cash flow changes	As at 31 March 2022
		Accretion of interest	New leases recognised during the year	Leases derecognised during the year		
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Lease liabilities	4,710.41	500.18	2,409.28	(700.90)	(1,939.24)	4,979.73
Borrowings	1,014.18	9.33	-	-	1,984.71	3,008.22
	5,724.59	**509.51**	**2,409.28**	**(700.90)**	**45.47**	**7,987.95**

NOTE 47: RATIO ANALYSIS AND ITS ELEMENTS

	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% change
Current ratio	Current Assets	Current Liabilities	1.52	1.36	12%
Debt- equity ratio 1	Borrowings	Equity	0.00	0.05	-91%
Debt service coverage ratio 2	Earnings for debt service = Profit for the year + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.27	0.79	61%
Return on equity ratio 3	Profit for the year	Average Equity	0.03	0.00	580%
Inventory turnover ratio	Cost of goods sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods and stock-in-trade	Average Inventories	8.52	7.53	13%
Trade payable turnover ratio	Purchases of stock-in-trade + Purchases of Raw Material and Packing Material + Other expense	Average Trade payables	15.44	14.39	7%
Trade receivable turnover ratio 4	Sale of products	Average Trade receivables	107.45	64.05	68%
Net capital turnover ratio	Sale of products	Working capital = Current Assets – Current Liabilities	19.35	20.17	-4%
Net profit ratio 5	Profit for the year	Revenue from operations	0.01	0.00	499%
Return on capital employed 6	Profit before tax + Finance costs	Capital Employed = Equity + Borrowings + Deferred tax liabilities (net) - Deferred tax assets (net)	0.01	0.01	85%
Return on investment	Other income (Bank deposits)	Fixed deposit	0.06	0.06	-9%

Notes:

[1] *Debt - equity ratio - Decrease in short term unsecured debt resulted in decrease in ratio.*

[2] *Debt service coverage ratio - Increase in profits and decrease in borrowings has resulted in increase in ratio.*

[3] *Return on equity ratio - Increase in profit for the year due to reversal in Tax expense on account of scheme of amalgamation (refer note 50) has resulted in increase in ratio.*

[4] *Trade receivable turnover ratio - Reduction in credit period of the customers has resulted in increase in ratio.*

[5] *Net profit ratio - Increase in profit for the year due to reversal in Tax expense on account of scheme of amalgamation (refer note 50) has resulted in increase in ratio.*

[6] *Return on capital employed - Decrease in borrowings has resulted in increase in ratio.*

Notes to the Standalone Financial Statements

NOTE 48: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company's policy is to keep healthy debt equity ratio ensuring minimum debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Debt* (A)	300.00	3,008.22
Equity (B)	67,594.57	62,401.65
Debt / Equity Ratio (A / B)	0.004	0.050

**Excluding lease liabilities*

NOTE 49: OTHER STATUTORY INFORMATION

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off under section 248 of Companies act 2013

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

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), 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

(vi) The Company have not received any fund from any person(s) or entity(ies), 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 Funding Party (Ultimate Beneficiaries) or

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

(vii) The Company do not have any such transactions which has not been recorded in the books of accounts but 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

(viii) The Company has not been declared as wilful defaulter by any bank of financial institution or other lender

NOTE 50: SCHEME OF AMALGAMATION

The Board of Directors of the Company at its meeting held on 29 September 2021 had approved the Scheme of Arrangement (the "Scheme") for merger of its subsidiaries (transferor companies) with the company (transferee company). Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench and Indore bench on 8 June 2022 and 12 May 2022 respectively.

NCLT, Ahmedabad bench has sanctioned the Scheme and pronounced its order on 10 February 2023 certified copy of which was received by the company on 23 February 2023. NCLT, Indore bench has sanctioned the Scheme and pronounced its order on 3 March 2023 and suo moto amended on 15 March 2023 certified copy of which was received by the company on 21 March 2023.

Notes to the Standalone Financial Statements

Accordingly, the Company has given effect to the Scheme from the appointed date i.e.1 April, 2021 in these financial statements for the year ended 31 March 2023 by restating the earlier standalone financial statements for the year ended 31 March 2022 as if the business combination had occurred from the beginning of the preceding period i.e. 1 April 2021.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from the appointed date at their respective carrying values as per requirements of Appendix C to Ind AS 103.

The details of the Company and the merger of the transferor companies with the Company are as below:

	Transferor Company 1	Transferor Company 2
Name of the transferor company	Avadh Snacks Private Limited	Red Rotopack Private Limited
General nature of business	Manufacturing and trading of snacks food	Manufacturing and trading of packaging laminate
Appointed date of the Scheme	1 April 2021	1 April 2021
Description and number of shares issued (Refer Note 17, 23 and 46)	Pursuant to the terms of this Scheme, the Transferee Company shall allot 406,556 (Four lakhs six thousand five hundred fifty six) equity shares of face value of ₹ 5 each, as fully paid-up, to the shareholders of the Transferor Company 1 (except the Transferee Company).	

Pursuant to the Scheme the merger has been accounted for as per the applicable accounting principals prescribed under the relevant Indian Accounting Standards.

(a) Accounting Treatment

(i) The transferee Company has recorded all the assets and liabilities of the transferor companies vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of Transferee Company.

(ii) The identity of the reserves has been preserved and the Transferee Company has recorded the reserves of the Transferor Companies, at the carrying amount as appearing in the consolidated financial statements of Transferee Company.

(iii) The value of all investments held by the Transferee Company in the Transferor Companies stand cancelled pursuant to amalgamation and difference, if any arising after taking the effect of schemes has been transferred to "Capital Reserve Account" in the financial statements of the Transferee Company.

(iv) Pursuant to the amalgamation of the Transferor Companies with the Transferee Company, inter-company balances between Transferee Company and the Transferor Companies, if any, appearing in the books of the Transferee Company stand cancelled.

The carrying value of the assets and liabilities taken over in accordance with the terms of the Scheme and included in the presentation of these financial statements as at appointed date i.e. 1 April 2021 are as follows:

Particulars	Amount ₹ lakhs
ASSETS	
NON-CURRENT ASSETS	
Property, plant and equipment	3,385.58
Capital work-in-progress	8.65
Intangible assets - Goodwill	4,611.01
Intangible assets	17,111.69
Other non-current financial assets	11.50
Deferred tax assets (net)	21.51
Tax assets (net)	37.09
TOTAL NON-CURRENT ASSETS	**25,187.03**
CURRENT ASSETS	
Inventories	1,010.83
Financial assets	
(i) Trade receivables	105.23
(ii) Cash and cash equivalents	222.75
(iii) Bank balance (other than (ii) above)	306.22

Notes to the Standalone Financial Statements

Particulars	Amount ₹ lakhs
Other current assets	72.64
TOTAL CURRENT ASSETS	**1,717.67**
TOTAL ASSETS - A	**26,904.70**
EQUITY AND LIABILITIES	
EQUITY	
Other equity	942.48
TOTAL EQUITY	942.48
LIABILITIES	
NON-CURRENT LIABILITIES:	
Provisions	34.77
Deferred tax liabilities (net)	4,513.11
TOTAL NON-CURRENT LIABILITIES	**4,547.88**
CURRENT LIABILITIES:	
Financial liabilities	
(i) Trade payables	
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	589.60
(ii) Other current financial liabilities	0.47
Provisions	0.08
Other current liabilities	166.20
TOTAL CURRENT LIABILITIES	**756.35**
TOTAL LIABILITIES - B	**6,246.70**
Total net identifiable assets acquired C = (A-B)	20,658.00
Carrying amount of investments in transferor company cancelled (D)	20,658.00
Excess of net assets over investment E = (C-D)	–

Notes:

(a) As the appointed date of the Scheme is 1 April 2021, the previous year's numbers i.e. for the year ended 31 March 2022 have been revised to include the financial information of the Transferor Companies.

(b) The authorised share capital of the Transferee Company, automatically stands increased, by clubbing the authorised share capital of the Transferror Companies which is ₹ 1075 lakh divided into 215 lakh equity shares of ₹ 5 each (31 March 2022: ₹ 1075 lakh divided into 107.50 lakh equity shares of ₹ 10 each)

(c) Further, pursuant to the approval of the Scheme from the specified retrospective appointed date of 1 April 2021, a revised return of income for the year ended 31 March 2022 after taking into consideration the overriding effect of the provision in the Scheme would be filed by the Company. The impact of such revised return on the current and deferred tax has been recognised in the statement of profit and loss for the year ended 31 March 2023.

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJP1313

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Independent Auditor's Report

To the Members of Prataap Snacks Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Prataap Snacks Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTER(S)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

See Note 2.3 and 26 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods is recognized when control is transferred to the customer and is measured net of discounts, rebates, incentives and other similar items (collectively 'discounts and rebates'). Significant estimation is involved in recognition and measurement of rebates and discounts. This includes estimating the amount of consideration to which the company will be entitled in exchange for transferring the goods to the customer based on historical experience and the specific terms of the scheme. This involves a risk of error in estimation, unrecorded accruals for variable consideration. There is a risk of revenue being overstated because of fraud, resulting from the pressure local management may feel to achieve performance targets.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of revenue recognition accounting policy in accordance with relevant accounting standard including those relating to discounts and rebates. • Tested the design, implementation and operating effectiveness of key internal controls over revenue recognition including anti-fraud controls, general IT controls and key IT application controls. • Performed substantive testing by selecting samples using statistical sampling for revenue transactions recorded during the year by vouching to underlying documents like Invoices, Lorry Receipts, Customer acknowledgement etc.

The key audit matter	How the matter was addressed in our audit
Revenue is also an important element of how the group measures its performance. The Group focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before control has been transferred. Accordingly, we identified the revenue recognition including estimation of variable consideration as a key audit matter.	• Performed test of specific revenue transactions recorded during the year end to determine that revenue is recognised in correct period. • Performed substantive analytical procedures over revenue and discounts to identify unusual variances. • Performed substantive testing over discounts and rebates including the following procedures: i. For samples, read the terms of contract and incentive schemes as approved by authorized personnel ii. Evaluated the assumptions used in estimation of variable consideration by comparing with the past trends, actual claims etc. iii. Assessed the accuracy of prior period accruals for variable consideration by reference to actual claims presented by the customer. iv. Performed test of discount and rebate expense recorded subsequent to the year end to determine the completeness of discount and rebate expense. • Obtained independent confirmations from sample customers and reconciled the balance with the amounts recorded in the books. • Tested manual journal entries posted to revenue including discount and rebates which are unusual in nature.

Measurement of deferred tax and MAT credit

See Note 2.3 and 20 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As at 31 March 2023, the Holding Company has recognized a deferred tax liability (net) of INR 802.45 lakhs (including Minimum Alternate Tax (MAT) credit receivable of INR 1,713.61 lakhs). Taxation Laws (Amendment) Act, 2019 (new tax regime) provides an option to pay income tax at reduced rates but opting for such concessional rates would result in loss of availability of MAT credit. Deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse. The Holding Company has measured its deferred tax balances basis expected financial year when the Holding Company is likely to move to the new tax regime.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of Company's accounting policies with respect to recognition and measurement of deferred tax balances in accordance with relevant accounting standard. • Obtained an understanding, tested the design, implementation and operating effectiveness of the internal controls over the measurement of deferred tax balances. • Evaluated the reasonableness of the estimate of expected financial year when the Holding Company is likely to move to the new tax regime by performing following key procedures: i. Obtained management's evaluation of expected financial year when the Holding Company is likely to move to the new tax regime.

The key audit matter	How the matter was addressed in our audit
The measurement of MAT credit receivable and deferred tax balances involves estimation of the year of transition to the new tax regime which involves significant estimate of the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Holding Company.	ii. Involved our tax specialists to evaluate the Holding Company's tax positions basis the tax law. iii. Inspected the future business plans and approved financial projections iv. Evaluated and challenged the key assumptions used in the financial projections based on historical data and economic and industry forecasts. v. Tested the determination of temporary differences which are expected to reverse before and after the date when the Holding Company is expected to move to new tax regime. • Assessed the appropriateness of disclosures in accordance with the requirements of relevant standard.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

MANAGEMENT'S AND BOARD OF DIRECTORS'/ BOARD OF TRUSTEES' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company/ Board of trustees of the Trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company/trust and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the company/Board of Trustees of the trust are responsible for assessing the ability of the company/trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees either intends to liquidate the Company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company/Board of Trustees of the trust are responsible for overseeing the financial reporting process of the company/trust.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER(S)

a. We did not audit the financial statements of a controlled trust, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 1,857.22 Lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 93.25 Lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 0.32 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March 2023 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 financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 37 to the Consolidated Financial Statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

   c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.

   d (i) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as discussed in the Note 49 to the accounts, 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 Holding 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:

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

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 49 to the accounts, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:

- 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 from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 16 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

g. We draw attention to Note 38 to the consolidated financial statements for the year ended 31 March 2023 according to which the remuneration paid or payable by the Holding Company to its directors is in excess of the limit laid down under Section 197 of the Act. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders through special resolution which the Holding Company has obtained through postal ballot subsequently on 23 May 2023. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN: 23091765BGYZJQ9767

Place: New Delhi
Date: 26 May 2023

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Prataap Snacks Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by the respective auditor in its report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Prataap Snacks Limited	L15311MP2009 PLC021746	Holding Company	Clause vii (a)
2	Prataap Snacks Limited	L15311MP2009 PLC021746	Holding Company	Clause xiii

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN: 23091765BGYZJQ9767

Place: New Delhi
Date: 26 May 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Prataap Snacks Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Prataap Snacks Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 Holding 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 internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 consolidated financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN: 23091765BGYZJQ9767

Place: New Delhi
Date: 26 May 2023

Consolidated Balance Sheet

		Notes	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, plant and equipments	3	38,266.31	34,129.62
	(b) Capital work-in-progress	3	1,485.72	1,386.31
	(c) Goodwill	4	4,611.00	4,611.00
	(d) Other Intangible assets	4	15,184.63	16,258.14
	(e) Intangible assets under development	4	18.98	-
	(f) Financial assets			
	(i) Loans	5	1,855.23	1,785.16
	(ii) Other non-current financial assets	6	2,254.08	5,654.58
	(g) Other tax assets (net)	7	821.02	154.24
	(h) Other non-current assets	8	1,952.21	649.42
	TOTAL NON-CURRENT ASSETS		**66,449.18**	**64,628.47**
	CURRENT ASSETS			
	(a) Inventories	9	13,528.41	14,462.33
	(b) Financial assets			
	(i) Trade receivables	10	1,398.62	1,657.23
	(ii) Cash and cash equivalents	11	2,190.15	1,898.88
	(iii) Bank balance (other than (ii) above)	12	714.70	1,317.70
	(iv) Loans	13	149.88	116.83
	(v) Other current financial assets	14	4,314.41	5,175.28
	(c) Other current assets	15	2,416.35	1,468.05
	TOTAL CURRENT ASSETS		**24,712.52**	**26,096.30**
	TOTAL ASSETS		**91,161.70**	**90,724.77**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	16	1,172.65	1,172.65
	(b) Other equity	17	66,450.66	61,252.82
	TOTAL EQUITY		**67,623.31**	**62,425.47**
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Lease liabilities	36	3,926.83	3,572.41
	(b) Provisions	19	448.17	459.56
	(c) Deferred tax liabilities (net)	20	802.45	2,561.44
	(d) Other non-current liabilities	21	2,131.72	2,469.09
	TOTAL NON-CURRENT LIABILITIES		**7,309.17**	**9,062.50**
	CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	18	300.00	3,008.22
	(ii) Lease liabilities	36	1,754.46	1,407.32
	(iii) Trade payables	22		
	Total outstanding dues of micro enterprises and small enterprises		843.94	839.69
	Total outstanding dues of trade payables other than micro enterprises and small enterprises		9,537.45	8,174.56
	(iv) Other current financial liabilities	23	913.43	3,883.87
	(b) Other current liabilities	24	2,804.95	1,845.14
	(c) Provisions	19	74.99	71.99
	(d) Current tax liabilities (net)	25	-	6.01
	TOTAL CURRENT LIABILITIES		**16,229.22**	**19,236.80**
	TOTAL LIABILITIES		**23,538.39**	**28,299.30**
	TOTAL EQUITY AND LIABILITIES		**91,161.70**	**90,724.77**

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

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJQ9767

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : New Delhi
Date : 26 May 2023

Place : Indore
Date : 26 May 2023

Consolidated Statement of Profit and Loss

		Notes	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
I	Revenue from operations	26	1,65,293.22	1,39,661.93
II	Other income	27	776.05	1,372.90
III	**TOTAL INCOME (I + II)**		**1,66,069.27**	**1,41,034.83**
IV	**EXPENSES**			
	(a) Cost of materials consumed	28	1,19,101.97	1,04,221.36
	(b) Purchases of stock-in-trade		849.22	332.49
	(c) Changes in inventories of finished goods and stock-in-trade	29	(748.69)	(860.67)
	(d) Employee benefits expense	30	7,540.64	5,718.17
	(e) Finance costs	31	654.59	671.83
	(f) Depreciation and amortisation expenses	32	6,212.91	5,377.18
	(g) Impairment losses on financial assets	46	385.49	421.19
	(h) Other expenses	33	31,921.86	23,998.46
	TOTAL EXPENSES		**1,65,917.99**	**1,39,880.01**
V	**Profit before exceptional item and tax (III - IV)**		**151.28**	**1,154.82**
VI	Exceptional item	41	-	1,393.76
VII	**Profit before tax (V - VI)**		**151.28**	**(238.94)**
VIII	**Tax expense**			
	(a) Current tax	20	85.65	205.28
	(b) Deferred tax (including Minimum Alternate Tax)	20	(30.10)	(735.12)
	(c) Tax adjustments in respect of earlier years	20	(1,935.45)	-
	Total tax expenses		**(1,879.90)**	**(529.84)**
IX	**Profit for the year (VII - VIII)**		**2,031.18**	**290.90**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain on defined benefit plan	35	73.74	34.08
	(b) Income tax relating to above	20	(25.77)	(10.97)
	Total other comprehensive income (net of tax)		**47.97**	**23.11**
XI	**Total comprehensive income (IX + X)**		**2,079.15**	**314.01**
XII	**Earnings per equity share:**			
	Equity shares of face value of ₹ 5 (31 March 2022: ₹ 5) each			
	(a) Basic - ₹	34	8.51	1.24
	(b) Diluted - ₹	34	8.51	1.24

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

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJQ9767

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL:

	No. in lakhs	₹ lakhs
Issued, subscribed and fully paid		
As at 1 April 2021	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2022	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2023	**234.53**	**1,172.65**

B. OTHER EQUITY:

	Shares pending Issuance ₹ lakhs	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 42) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2021	**-**	**38,282.76**	**22,271.22**	**584.96**	**61,138.94**
Profit for the year	-	-	290.90	-	290.90
Other comprehensive income					
- Re-measurement gain on defined benefit plan	-	-	23.11	-	23.11
Total comprehensive income	**-**	**-**	**314.01**	**-**	**314.01**
Transaction with owners, recorded directly in equity					
Contribution by and distribution to owners					
Employee stock appreciation rights expense	-	-	-	(82.86)	(82.86)
Dividend paid on equity shares	-	-	(117.27)	-	(117.27)
As at 31 March 2022	**-**	**38,282.76**	**22,467.96**	**502.10**	**61,252.82**

	Shares pending Issuance ₹ lakhs	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 42) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2022	**-**	**38,282.76**	**22,467.96**	**502.10**	**61,252.82**
Profit for the year	-	-	2,031.18	-	2,031.18
Other comprehensive income					
- Re-measurement gain on defined benefit plan	-	-	47.97	-	47.97
Total comprehensive income	**-**	**-**	**2,079.15**	**-**	**2,079.15**
Transaction with owners, recorded directly in equity					
Contribution by and distribution to owners					
Employee stock appreciation rights expense	-	-	-	232.33	232.33
ESAR lapsed during the year	-	-	111.16	(111.16)	-
Dividend paid on equity shares	-	-	(117.27)	-	(117.27)
Shares pending issuance (Refer Note 49)	3,003.64	-	-	-	3,003.64
As at 31 March 2023	**3,003.64**	**38,282.76**	**24,540.99**	**623.27**	**66,450.66**

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJQ9767

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Consolidated Statement of Cash Flows

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**151.28**	**(238.94)**
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expenses	6,212.91	5,377.18
Loss on sale of property, plant and equipments	24.55	0.28
Provision for slow moving inventory	(58.12)	(12.74)
Liabilities written back	-	(30.00)
Trade receivables written off	0.56	-
Allowance for credit losses	385.49	421.20
Net gain/ Loss on derecognition of lease liability and ROU assets	(75.86)	-
Provision for doubtful advances	(92.47)	(87.79)
Employee stock appreciation rights expense	232.33	(82.86)
Government grant income	(431.27)	(741.34)
Remeasurement of Financial liabilities measured at FVTPL	-	(554.35)
Loss by Fire	-	1,393.76
Finance cost	654.59	671.83
Interest income	(700.20)	(818.55)
Operating profit before working capital changes	**6,303.79**	**5,297.68**
Working capital adjustments:		
Decrease / (increase) in inventories	992.04	(1,815.50)
Decrease / (increase) in trade receivables	(227.44)	583.25
Decrease / (increase) in loans and other financial assets	(117.79)	212.89
Decrease / (increase) in other assets	(946.28)	(13.02)
Increase/ (decrease) in trade payables	1,367.96	208.18
Increase / (decrease) in other financial liabilities	162.34	231.72
Increase / (decrease) in provisions	65.35	44.75
Increase / (decrease) in other liabilities	957.88	327.95
	8,557.85	**5,077.90**
Income tax paid (net of refund received)	(577.98)	(502.99)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**7,979.87**	**4,574.91**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments including capital work-in-progress and capital advances	(8,310.25)	(3,086.92)
Proceeds from sale of property, plant and equipments	112.93	-
Proceeds from sale of CWIP	83.00	-
Purchase of Intangibles including assets under development	(81.99)	(66.83)
Receipt of government grant	561.39	980.80
Proceeds from sale of property, plant and equipments	-	29.56
Investment in fixed deposits with banks not considered as cash and cash equivalents	(1,950.38)	(7,936.42)
Redemption / maturity of fixed deposits with banks not considered as cash and cash equivalents	6,641.74	5,980.44
Interest received	421.84	476.57
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(2,521.73)**	**(3,622.80)**

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	300.00	7,800.00
Repayment of lease liabilities	(1,686.87)	(1,439.06)
Interest paid on lease liabilities	(514.82)	(500.18)
Repayment of short-term borrowings	(3,000.00)	(5,815.29)
Interest paid	(147.95)	(159.90)
Dividend	(117.23)	(117.27)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(5,166.87)**	**(231.70)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**291.27**	**720.41**
Cash and cash equivalents at the beginning of the year	1,898.88	1,178.47
Cash and cash equivalents at the end of the year (Refer Note 11)	**2,190.15**	**1,898.88**

As per our report of even date
For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJQ9767

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Notes to the Consolidated Financial Statements

NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Holding Company') is a public Company domiciled in India having CIN L15311MP2009PLC021746 and is incorporated under the provisions of the Companies Act, applicable in India and its equity shares are listed on the National Stock Exchange and BSE stock exchange. The principal place of business of the Holding Company is located at Khasra No. 378/2, Nemawar Road, Near Makrand House, Indore, Madhya Pradesh, 452020, India. The PSL and controlled trust (PSL and controlled trust together referred to as "the Group) is primarily engaged in the business of snacks food.

NOTE 2.1: BASIS OF PREPARATION

A. Statement of Compliance

The consolidated 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) notified under section 133 of Companies Act, 2013 ('the Act') and other relevant provisions of the act. Also, refer Note 50 for Accounting of scheme of amalgamation.

The condsolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 26 May 2023.

B. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Valuation of share appreciation rights issued under Employee Stock Appreciation Rights ('ESAR') Plan 2018 (refer accounting policy regarding share-based payments)
- Net defined benefit liability (refer accounting policy regarding employee benefit).

C. Functional and presentation currency

The consolidated financial statements are presented in India Rupee ('INR') which is also the Group's functional currency. All amounts have been rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

D. Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the consolidated financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known/materialised.

Estimates and judgements

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognised in the consolidated financials statements is included below:

1. Deferred taxes - The measurement of MAT credit receivable and deferred tax balances requires judgement around the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Group.

Assumptions and estimation uncertainties

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. 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.

(i) **Useful lives of property, plant and equipments and intangible assets**

The Group reviews the useful life of property, plant and equipments and intangible assets at the end of each reporting period. This reassessment may result

Notes to the Consolidated Financial Statements

in change in depreciation and amortisation expense in future periods. Refer Note 2.3 (D) and (E) for management estimate of useful lives.

(ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. The measurement of MAT credit receivable and deferred tax balances requires estimation of the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Group.

(iii) Discounts and Rebates

The Group provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer to the Group, which may be some time after the date of sale. Accordingly, the Group estimates the amount of such incentives basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking, business forecast and the current economic conditions. To estimate the amount of incentives, the Group uses the most likely method.

(iv) Impairment of Goodwill

Impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are relevant to perform an impairment test in respect of the goodwill recognised by the Group.

NOTE 2.2: BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2023.

Control is achieved when the Group 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. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of 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 its returns

Details of Group's components at the end of the year considered in preparation of the consolidated financial statements is as under:

Name of the component	Country of incorporation	% voting power held as at 31 March 2023	% voting power held as at 31 March 2022
Controlled trust Prataap Snacks Employees Welfare Trust	India	100.00	100.00

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

Notes to the Consolidated Financial Statements

- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, if any.

NOTE 2.3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Current vs non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or 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 unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies 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 realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(B) Revenue from operations

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control over the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Notes to the Consolidated Financial Statements

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 20 days upon delivery.

The Group 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. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group 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. Some contracts for the sale of goods provide customers with a right to return defective / damaged products and discount and rebates on sales. The rights to return and discount and rebates on sales give rise to variable consideration.

The Group provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The Group does not generally provide a right of return on the goods supplied to customers.

Contract balances

Trade receivables

A receivable represents the Group'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).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

(C) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. When the grant relates to an expense item, it is recognised as other operating revenue 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 initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other operating income on a systematic basis over the useful life of the asset.

(D) Property, plant and equipments

Property, plant and equipment's is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use. Such cost includes the cost of replacing part of the Property, plant and equipment's and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment's are required to be replaced at intervals, the Group 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 Property, plant and equipment's as a component if the recognition criteria are satisfied.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and

Notes to the Consolidated Financial Statements

maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

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

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

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

Depreciation on property, plant and equipments is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life based on its estimate regarding the period over which the assets are expected to be used and the same is supported by technical evaluation:

Property, plant and equipments	Useful lives as per Management	Useful lives as per Schedule II
Factory buildings	30 years	30 years
Plant and equipments*	15 years (on double shift basis)	15 years
Electrical installations*	15 years	10 years
Furniture and fixtures	10 years	10 years
Computers*	3 years to 6 years	3 years
Office equipments*	3 years to 5 years	5 years
Vehicles	8 years	8 years
Leasehold improvements	Amortised over the period of lease term ranging from 9 to 10 years	Amortised over the period of lease term ranging from 9 to 10 years

**These assets have life different from those mentioned in Schedule II of the Companies Act, 2013 (the 'Act').*

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

(E) 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.

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

Intangible assets with finite lives are amortised on straight line basis 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.

Goodwill being an Intangible asset with indefinite useful lives is not amortised, but 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 or loss when the asset is derecognised.

A summary of amortisation policies applied to the Group's intangible asset is as below:-

Intangible assets	Useful lives
Computer software	5 years
Trade Name	20 years
Distribution Network	18 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Consolidated Financial Statements

(F) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(G) Inventories

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable 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 of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

(H) Leases

The Group leases mainly comprises of land, buildings and facilities. The Group assesses whether a contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group recognises right-of-use assets at the commencement date of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. 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:

Notes to the Consolidated Financial Statements

Right-of-use assets	Useful lives
Manufacturing facilities	3 to 7 years
Leasehold land	3 to 9 years
Land and building	2 to 10 years

If ownership of the leased asset transfers to the Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group uses its incremental borrowing rate at the lease commencement date if 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 remeasured 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 Group applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments of short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(I) Segment reporting

The Group is engaged in the business of snacks good. The Chief Operating Decision Maker review the operating results of the Group as a whole for purposes of making decisions about resources to be allocated and assess its performance. The entire operations are classified as a single segment, namely 'Snacks food'.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(J) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, for which 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 obligation. The expense relating to a provision is presented in the statement of profit and loss.

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

(K) Employee benefits

I. Short term employee benefits

Short-term employee benefit obligations such as salaries, incentives, special awards, medical benefits are measured on an undiscounted basis and are expensed as the related service is provided.

II. Post-employment obligations

The Group operates the following post-employment schemes:

a. Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Group recognises contribution payable to the provident

Notes to the Consolidated Financial Statements

fund scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

b. Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costsp recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an 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
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The liability for the defined benefit gratuity plan is determined based on actuarial valuations carried out by an independent actuary as at year end. 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 government bonds yield rates for the life of the 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. Future salary increases and gratuity increases are based on expected future inflation rates.

III. Other long term employee benefit

The Group has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method. Actuarial gain and loss are recognised in the statement of profit and loss during the year in which they occur.

The Group presents the leave as the current liability in the consolidated balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in consolidated balance sheet.

IV. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Appreciation Rights Plan whereby employees render services as consideration for equity instruments (equity-settled transactions).

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.

Notes to the Consolidated Financial Statements

That cost is recognised, together with a corresponding increase in Employee stock appreciation rights ('ESAR') reserve in equity, 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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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.

(L) Taxation

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss, except when it relates to items recognised in the other comprehensive income or items recognised directly in the equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable.

Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or under dispute with authorities and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liabilities on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except for:

- Temporary difference arising on 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 nor taxable profit or loss
- Taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

For operations carried out under tax holiday period (Section 80IB and 80IE benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Notes to the Consolidated Financial Statements

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit 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 recognised 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 realised or the 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 recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum alternate tax (MAT)

MAT expense in a year is charged to the statement of profit and loss as current tax for the year. The MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and is disclosed as deferred tax asset. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(M) Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. 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 the statement of profit and 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.

(N) Fair value measurement

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:

- In the principal market for the asset or liability; or
- 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 Group.

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 Group 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 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the Consolidated Financial Statements

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Other fair value related disclosures are given in the relevant notes.

(O) Financial instruments

I) Recognition and initial 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. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

II) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Consolidated Financial Statements

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

III) De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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 de-recognition 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.

IV) 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 either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

V) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group 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 Group 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 is the difference between all contractual cash flows that are due to the Group in accordance with

Notes to the Consolidated Financial Statements

the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as (income) / expense in the statement of profit and loss (P&L). Financial assets measured as at amortised cost, contractual revenue receivables and lease 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 Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(P) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(Q) Borrowing cost

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 respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing cost includes 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.

(R) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders 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) Contingent liability and contingent assets

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 not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Notes to the Consolidated Financial Statements

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(T) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group determines if there exist clear evidence of bargain purchase. If such evidence exist then the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the

Notes to the Consolidated Financial Statements

combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(U) Interest Income

For all debt 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 receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(V) Standards issued but not yet effective

On March 31, 2023, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 01, 2023.

Amendment to Ind AS 12 and Ind AS 101

Now the Initial Recognition Exemption (IRE) does not apply to transactions that give rise to equal and offsetting temporary differences. Narrowed the scope of IRE (with regard to leases and decommissioning obligations). Accordingly, Group will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

The application of this amendment is not expected to have a material impact on the Group's financial statements.

Amendment to Ind AS 1 and Ind AS 34 and Ind AS 107

Group should now disclose material accounting policies rather than their significant accounting policies. The application of this amendment is not expected to have a material impact on the Group's financial statements.

Amendment to Ind AS 8

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The application of this amendment is not expected to have a material impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Note a: Owned assets

	Leasehold improvements ₹ lakhs	Freehold lands ₹ lakhs	Factory buildings ₹ lakhs	Plant and equipments ₹ lakhs	Furniture and fixtures ₹ lakhs	Office equipments ₹ lakhs	Computers ₹ lakhs	Vehicles ₹ lakhs	Capital work -in-progress ₹ lakhs	Total ₹ lakhs
I Gross carrying amount										
As at 1 April 2021	**1,941.47**	**3,697.04**	**6,123.45**	**28,879.99**	**231.82**	**362.81**	**176.78**	**2,521.80**	**2,085.69**	**46,020.85**
Additions	109.97	-	1,181.16	1,725.72	10.85	20.91	35.52	335.51	2,863.72	6,283.37
Deletions*	-	-	-	900.27	3.05	30.83	1.65	51.32	143.46	1,130.58
Transfer/capitalised	-	-	-	-	-	-	-	-	3,419.64	3,419.64
As at 31 March 2022	**2,051.44**	**3,697.04**	**7,304.61**	**29,705.44**	**239.62**	**352.89**	**210.65**	**2,805.99**	**1,386.31**	**47,753.99**
Additions	73.21	1,359.53	593.93	3,766.30	82.06	160.87	34.46	749.92	5,708.71	12,529.00
Deletions	-	-	-	106.65	-	-	0.66	70.32	148.55	326.18
Transfer/capitalised	-	-	-	-	-	-	-	-	5,460.75	5,460.75
As at 31 March 2023	**2,124.65**	**5,056.57**	**7,898.54**	**33,365.09**	**321.68**	**513.76**	**244.45**	**3,485.59**	**1,485.72**	**54,496.05**
II Accumulated depreciation and impairment losses										
As at 1 April 2021	**1,086.20**	**-**	**782.70**	**11,275.19**	**130.15**	**155.95**	**135.38**	**756.07**	**-**	**14,321.63**
Depreciation charge for the year	269.72	-	215.99	1,738.26	26.48	48.65	24.78	363.42	-	2,687.30
Deletions*	-	-	-	244.34	0.92	21.12	0.10	28.06	-	294.54
As at 31 March 2022	**1,355.92**	**-**	**998.69**	**12,769.11**	**155.71**	**183.48**	**160.06**	**1,091.43**	**-**	**16,714.39**
Depreciation charge for the year	239.39	-	503.89	1,874.51	24.22	49.33	29.00	434.10	-	3,154.44
Deletions	-	-	-	30.61	-	-	0.66	29.93	-	61.20
As at 31 March 2023	**1,595.31**	**-**	**1,502.58**	**14,613.01**	**179.93**	**232.81**	**188.40**	**1,495.59**	**-**	**19,807.62**
III Net carrying amount										
As at 31 March 2023	**529.34**	**5,056.57**	**6,395.96**	**18,752.08**	**141.75**	**280.95**	**56.05**	**1,990.00**	**1,485.72**	**34,688.43**
As at 31 March 2022	**695.52**	**3,697.04**	**6,305.92**	**16,936.33**	**83.91**	**169.41**	**50.59**	**1,714.56**	**1,386.31**	**31,039.60**

** Refer note 41 on exceptional item*

Title deeds of immovable properties not held in name of the Company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company except as disclosed below –

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/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Freehold Land and Building	988.83	Avadh Snacks Private Limited	No	01 April 2021	Refer note A below
Freehold Land and Building	77.07	Red Rotopack Private Limited	No	01 April 2021	Refer note A below

Note A

Land and Building are in the name of Avadh Snacks Private Limited and Red Rotopack Private Limited subsidiaries amalgamated with the Company pursuant to the scheme of amalgamation (Refer note 50) for which name change is in process.

Notes to the Consolidated Financial Statements

Note b: Right-of-use assets

		Leasehold lands ₹ lakhs	Land and Buildings ₹ lakhs	Manufacturing facilities ₹ lakhs	Total ₹ lakhs
I	Gross carrying amount				
	As at 1 April 2021	**355.50**	**3,247.58**	**2,739.07**	**6,342.15**
	Additions	777.91	1,438.41	264.75	2,481.07
	Deletions	511.62	452.05	168.50	1,132.17
	As at 31 March 2022	**621.79**	**4,233.94**	**2,835.32**	**7,691.05**
	Additions	-	1,282.02	1,787.34	3,069.36
	Deletions	77.83	259.67	1,645.52	1,983.02
	As at 31 March 2023	**543.96**	**5,256.29**	**2,977.14**	**8,777.39**
II	Accumulated depreciation and impairment losses				
	As at 1 April 2021	**116.98**	**1,274.23**	**630.24**	**2,021.45**
	Depreciation charge for the year	128.49	665.39	830.65	1,624.53
	Deletions	69.37	292.52	69.38	431.27
	As at 31 March 2022	**176.10**	**1,647.10**	**1,391.51**	**3,214.71**
	Depreciation charge for the year	60.37	882.95	978.63	1,921.95
	Deletions	77.87	259.50	1,085.51	1,422.88
	As at 31 March 2023	**158.60**	**2,270.55**	**1,284.63**	**3,713.78**
III	Net carrying amount				
	As at 31 March 2023	**385.36**	**2,985.74**	**1,692.51**	**5,063.61**
	As at 31 March 2022	**445.69**	**2,586.84**	**1,443.81**	**4,476.34**

Note c: Net carrying amount

			As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
(i)	Property, plant and equipments			
	a.	Owned assets	33,202.70	29,653.28
	b.	Right-of-use assets	5,063.61	4,476.34
			38,266.31	**34,129.62**
(ii)	Capital work-in-progress		1,485.72	1,386.31

Note d: Capital work in progress Ageing Schedule

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	₹ lakhs
As at 31 March 2023					
Projects in progress	973.33	422.24	90.15	-	1,485.72
Projects temporarily suspended	-	-	-	-	-
	973.33	**422.24**	**90.15**	**-**	**1,485.72**
As at 31 March 2022					
Projects in progress	892.47	399.31	94.53	-	1,386.31
Projects temporarily suspended	-	-	-	-	-
	892.47	**399.31**	**94.53**	**-**	**1,386.31**

Notes to the Consolidated Financial Statements

Note e: Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2023					
Expansion of namkeen plant	220.33	-	-	-	220.33
Building for Labour quarters	881.94	-	-	-	881.94
	1,102.27	**-**	**-**	**-**	**1,102.27**
As at 31 March 2022					
Expansion of namkeen plant	226.65	-	-	-	226.65
	226.65	**-**	**-**	**-**	**226.65**

NOTE 4: INTANGIBLE ASSETS

		Other Intangible assets					
		Intangible assets under development	Computer softwares	Trade Name	Distributor Network	Total	Goodwill
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I	Gross carrying amount						
	As at 1 April 2021	**-**	**345.68**	**5,950.00**	**13,590.00**	**19,885.68**	**4,611.00**
	Additions	-	66.83	-	-	66.83	-
	Deletions	-	-	-	-	-	-
	As at 31 March 2022	**-**	**412.51**	**5,950.00**	**13,590.00**	**19,952.51**	**4,611.00**
	Additions	18.98	63.01	-	-	81.99	-
	Deletions	-	-	-	-	-	-
	As at 31 March 2023	**18.98**	**475.52**	**5,950.00**	**13,590.00**	**20,034.50**	**4,611.00**
II	Accumulated amortisation and impairment losses						
	As at 1 April 2021	**-**	**186.52**	**743.75**	**1,698.75**	**2,629.02**	**-**
	Amortisation during the year	-	61.35	297.50	706.50	1,065.35	-
	Deletions	-	-	-	-	-	-
	As at 31 March 2022	**-**	**247.87**	**1,041.25**	**2,405.25**	**3,694.37**	**-**
	Amortisation during the year	-	67.52	297.50	771.50	1,136.52	-
	Deletions	-	-	-	-	-	-
	As at 31 March 2023	**-**	**315.39**	**1,338.75**	**3,176.75**	**4,830.89**	**-**
III	Net carrying amount						
	As at 31 March 2023	**18.98**	**160.13**	**4,611.25**	**10,413.25**	**15,203.61**	**4,611.00**
	As at 31 March 2022	**-**	**164.64**	**4,908.75**	**11,184.75**	**16,258.14**	**4,611.00**

Notes to the Consolidated Financial Statements

IV Net Carrying Amount

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
(i) Goodwill	4,611.00	4,611.00
(ii) Other Intangible assets		
(a) Intangible assets	15,184.63	16,258.14
(b) Intangible assets under development	18.98	-

Note a: Intangible assets under development Ageing Schedule

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	₹ lakhs
As at 31 March 2023					
Projects in progress	18.98	-	-	-	18.98
Projects temporarily suspended	-	-	-	-	-
	18.98	**-**	**-**	**-**	**18.98**
As at 31 March 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note b: Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan:

There are no Intangible Assets under development as on 31 March 2023 and 31 March 2022, whose completion is overdue or has exceeded its cost compared to its original plan:

Notes

(i) In accordance with the requirements of Ind AS 38 "Intangible assets", the Company had reassessed the useful life of distribution network and had revised the estimated useful life to 18 years from the existing useful life of 20 years on the basis of management's assessment of future economic benfefits. The effect of the said change was recognised prospectively w.e.f. 1 January 2022 as per the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Consequent to this change, depreciation and amortisation expenses was higher and net profit before tax was lower by ₹ 27.00 lakhs for the year ended 31 March 2022. Further, the basic and diluted earnings per share (not annualised) was lower by ₹ 0.11 for the year ended 31 March 2022.

(ii) In accordance with IND AS 36 "Impairment of Assets" the Company has assigned the carrying value of goodwill to the Avadh business (Cash Generating Unit ('CGU')). Based on the expected synergies in operations along with the manner in which the Company will manage its operations, the Company has reorganised the CGU to Avadh business (Previous year: Erstwhile subsidiary i.e. Avadh Snacks Private limited standalone business). Impairment testing of such Goodwill is performed by applying the value in use approach i.e. using cash flow projections based on financial budgets covering a period of 5 years.

Based on the results of the Goodwill impairment test, the estimated value in use for CGU was higher than the respective carrying amount, and accordingly no impairment loss has been recognised during the year (31 March 2022 - Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Goodwill.

Notes to the Consolidated Financial Statements

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	As at 31 March 2023	As at 31 March 2022
Discount rate	12.50%	11.00%
Revenue growth rate for intial 5 years	15.00% to 17.00%	20.00% to 23.00%
Budgeted EBITDA rate	5.70% to 8.6%	2.40% to 6.10%
Terminal value growth rate	5.00%	5.00%

Discount rate (Pre Tax) - Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company).

Revenue growth rate and EBITDA rate - The growth rates and EBITDA rate used to estimate cash flows for the first five years are based on past performance, and based on the strategic plan.

Terminal growth rate - long-term average growth rate for the products, industries, or country in which the entity operates.

NOTE 5: FINANCIAL ASSETS - NON-CURRENT LOANS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Loan to Employees under Employee Stock Purchase Plan	1,855.23	1,785.16
	1,855.23	**1,785.16**

NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Margin money deposits*	1.74	0.61
Non-current bank balances being deposits with remaining maturity of more than twelve months	-	2,947.16
Subsidy receivable	1,581.08	2,087.59
Security deposits	671.26	619.22
	2,254.08	**5,654.58**

**Margin money deposits pertains to deposits given to various Government / statutory authorities as security.*

NOTE 7: OTHER TAX ASSETS (NET)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Advance income-tax [Net of provision for taxation: ₹ 6,019.47 Lakhs (As at 31 March 2022: ₹ 6,113.78 Lakhs)	821.02	154.24
	821.02	**154.24**

Notes to the Consolidated Financial Statements

NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Capital advances:		
Considered good	1,798.17	583.43
Considered doubtful	370.60	372.51
Less: Provision for doubtful advances	(370.60)	(372.51)
Prepaid expenses	0.80	10.92
Balances with government authorities	153.24	55.07
	1,952.21	**649.42**

NOTE 9: INVENTORIES

(At cost or net realisable value, whichever is lower)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Raw materials	6,321.29	6,455.91
Packing materials	3,191.22	4,755.76
Finished goods [including stock-in-transit: ₹ 544.16 lakhs (As at 31 March 2022: ₹ 487.4 lakhs)]	3,216.33	2,621.99
Traded goods [including stock-in-transit: ₹ 6.14 lakhs (As at 31 March 2022: ₹ 3.48 lakhs)]	165.92	11.57
Stores, spares and other consumables	633.65	617.10
	13,528.41	**14,462.33**

Note:

During the year an amount of ₹ 20.19 lakhs (net) [31 March 2022: ₹ 5.81 lakhs (net)] was charged to statement of profit and loss on account of write down of inventories.

NOTE 10: TRADE RECEIVABLES

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Considered good - Unsecured	1,579.56	2,030.33
Credit impaired	1,100.37	522.72
Less: Allowance for credit losses (Refer Note 46)	(1,281.31)	(895.82)
	1,398.62	**1,657.23**

Note:

1. For terms and conditions relating to related party receivables, Refer Note 38.
2. For aging of trade receivable, Refer Note 46.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

Notes to the Consolidated Financial Statements

NOTE 11: CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Balances with banks:		
In current accounts	2,033.37	1,892.63
Deposits with original maturity of less than three months	150.00	-
Cash on hand	6.78	6.25
	2,190.15	**1,898.88**

NOTE 12: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deposits with original maturity more than three months but upto twelve months	499.27	736.98
Margin money deposit*	215.14	580.43
Earmarked Balances with bank - unpaid dividend	0.29	0.29
	714.70	**1,317.70**

**Margin money deposits pertains to deposits given to various Government / statutory authorities as security.*

NOTE 13: FINANCIAL ASSETS - CURRENT LOANS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Loan to transporters:		
Unsecured considered good	-	-
Credit Impaired	4.79	4.79
Less: Allowances for credit losses	(4.79)	(4.79)
Loan to employees - Unsecured considered good	149.88	116.83
	149.88	**116.83**

NOTE 14: OTHER CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Subsidy receivable	1,072.44	839.85
Receivable for sale of Fixed Assets	44.50	-
Security deposits	37.61	11.94
Margin money deposit*	61.09	-
Deposits with original maturity more than twelve months and remaining maturity less than twelve months	3,098.77	4,323.49
	4,314.41	**5,175.28**

**Margin money deposits pertains to deposits given to various Government / statutory authorities as security.*

Notes to the Consolidated Financial Statements

NOTE 15: OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Advances to vendors:		
Considered good	1,768.30	1,093.86
Considered doubtful	299.08	389.66
Less: Provision for doubtful advances	(299.08)	(389.66)
Prepaid expenses	105.27	91.24
Balances with government authorities	542.78	282.95
	2,416.35	**1,468.05**

NOTE 16: SHARE CAPITAL

(a) Authorised share capital

	Equity shares	
	No. in lakhs	₹ lakhs
Equity shares of ₹ 5 each		
As at 1 April 2021	**320.00**	**1,600.00**
Change in authorised share capital during the year	-	-
As at 31 March 2022	**320.00**	**1,600.00**
Change in authorised share capital during the year	215.00	1,075.00
As at 31 March 2023	**535.00**	**2,675.00**

(b) Issued, subscribed and fully paid-up equity share capital

	No. in lakhs	₹ lakhs
As at 1 April 2021 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**
Changes in equity share capital during the year	-	-
As at 31 March 2022 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**
Changes in equity share capital during the year (Refer Note 49)	-	-
As at 31 March 2023 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**

(c) Terms and rights attached to equity shares

The Group has only one class of equity shares having par value of ₹ 5 (31 March 2022: ₹ 5) per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which may be subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at 31 March 2023		As at 31 March 2022	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
Equity shares				
SCI Growth Investment II	83.93	35.79%	83.93	35.79%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%
Malabar India Fund Limited	8.99	3.83%	15.04	6.41%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Consolidated Financial Statements

(e) Details of shares held by promoters in the Company

	As at 31 March 2023			As at 31 March 2022		
	No. in lakhs	% holding	% change during the year	No. in lakhs	% holding	% change during the year
Equity shares						
Arvind Mehta	5.76	2.46%	2.78%	5.60	2.39%	0.09%
Amit Kumat	6.29	2.68%	7.82%	5.83	2.49%	0.24%
Apoorva Kumat	6.13	2.61%	10.40%	5.55	2.37%	0.18%
Arun Mehta	5.72	2.44%	0.00%	5.72	2.44%	0.00%
Kanta Mehta	2.33	0.99%	0.00%	2.33	0.99%	0.00%
Naveen Mehta	9.04	3.86%	0.00%	9.04	3.86%	0.00%
Premlata Kumat	5.59	2.38%	0.00%	5.59	2.38%	0.00%
Rajesh Mehta	6.81	2.91%	0.00%	6.81	2.91%	0.00%
Rakhi Kumat	1.10	0.47%	0.00%	1.10	0.47%	0.00%
Rita Mehta	3.26	1.39%	0.00%	3.26	1.39%	0.00%
Sandhya Kumat	1.30	0.55%	0.00%	1.30	0.55%	0.00%
Swati Bapna	0.11	0.05%	-94.48%	2.04	0.87%	0.00%
SCI Growth Investment II	83.93	35.79%	0.00%	83.93	35.79%	0.00%
Sequoia Capital GFIV Mauritius Investments*	23.54	10.04%	0.00%	23.54	10.04%	0.00%
Sequoia Capital India Growth Investment Holdings I*	6.01	2.56%	0.00%	6.01	2.56%	0.00%

**Promoter group*

(f) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	-	-	-	-	155.91

31 March 2018 - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

(g) Shares issued under Prataap Employees Stock Appreciation Rights ('ESAR') Plan 2018

Refer Note 42 for details of shares issued under the ESAR Plan 2018.

(h) Dividend paid and proposed

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
Dividend on equity shares paid during the year		
Dividend for the year ended 31 March 2022: ₹ 0.50 per share (31 March 2021: ₹ 0.50 per share)	117.27	117.27

Notes to the Consolidated Financial Statements

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
Proposed dividend on equity shares*		
Dividend for the year ended 31 March 2023: ₹ 1 per share (31 March 2022: ₹ 0.50 per share)	234.54	117.27

**Proposed dividend on equity shares are subject to approval of the shareholders at the ensuing Annual GeneraMeeting and is not recognised as liability as at 31 March 2023.*

NOTE 17: OTHER EQUITY

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
Securities premium	38,282.76	38,282.76
Retained earnings	24,540.99	22,467.96
Shares pending Issuance (Refer Note 49)	3,003.64	-
Employee stock appreciation rights reserve	623.27	502.10
	66,450.66	**61,252.82**

Securities premium

	₹ lakhs
As at 1 April 2021	**38,282.76**
As at 1 April 2022	**38,282.76**
As at 31 March 2023	**38,282.76**

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

Retained earnings

	₹ lakhs
As at 1 April 2021	**22,271.22**
Add: Profit for the year	290.90
Less: Other comprehensive income	23.11
Less: Amount utilised towards payment of dividend	(117.27)
As at 31 March 2022	**22,467.96**
Add: Profit for the year	2,031.18
Add: Other comprehensive income	47.97
Add: ESAR lapsed during the year	111.16
Less: Amount utilised towards payment of dividend	(117.27)
As at 31 March 2023	**24,540.99**

Retained earnings are the profits of the Company earned till date net of appropriations.

Shares pending Issuance

	₹ lakhs
As at 1 April 2021	**-**
As at 31 March 2022	**-**
Add: Shares pending Issuance	3,003.64
As at 31 March 2023	**3,003.64**

Notes to the Consolidated Financial Statements

Employee stock appreciation rights reserve

	₹ lakhs
As at 1 April 2021	**584.96**
Add: Expense recognised during the year (Refer Note 42)	(82.86)
As at 31 March 2022	**502.10**
Add: Expense recognised during the year (Refer Note 42)	232.33
Less: ESAR lapsed during the year (Refer Note 42)	(111.16)
As at 31 March 2023	**623.27**

The Holding Company has Prataap Employee Stock Appreciation Rights ('ESAR') Plan 2018 under which options to subscribe for the Holding Company's shares have been granted to certain employees. The Employee stock appreciation rights reserve is used to recognise the value of equity-settled share-based payments provided to employees. The said reserve shall be utilised for issue of equity shares of the Holding Company against the rights exercisable by the employees under the ESAR Plan 2018.

NOTE 18: BORROWINGS

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Short term borrowings		
Loan repayable on demand		
- From Banks		
Unsecured		
Working capital loan (Refer Note 1 below)	300.00	3,008.22
	300.00	**3,008.22**

Note:

1. The Unsecured short term loan from a bank carries a rate of interest of 8.10% (31 March 2022 : 4.27%-4.55%) and interest is to be serviced as and when charged. The said loan is repayable on demand.

NOTE 19: PROVISIONS

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Non-current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 35)	440.76	452.05
Compensated absences	7.41	7.51
	448.17	**459.56**
Current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 35)	58.24	54.87
Compensated absences	16.75	17.12
	74.99	**71.99**

Notes to the Consolidated Financial Statements

NOTE 20: DEFERRED TAX ASSETS / LIABILITIES

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
(a)	**Tax expense recognised in the statement of profit and loss**		
	Current tax	85.65	205.28
	Deferred tax (including Minimum Alternate Tax)	(30.10)	(735.12)
	Income tax expense reported in the statement of profit and loss	**55.55**	**(529.84)**
(b)	**Income tax related to items recognised in OCI during the year:**		
	Net gain/(loss) on remeasurements of defined benefit plan	25.77	10.97
	Income tax expense recognised in OCI	**25.77**	**10.97**
(c)	**Reconciliation of income tax expense and the accounting profit:**		
	Profit/(loss) before tax	151.28	(238.94)
	Income tax expense calculated at 34.944% (31 March 2022: 34.944%) being the statutory enacted rate	52.86	(83.49)
	Effect of:		
	Income not taxable during the tax holiday period	-	(335.61)
	Reversal of deferred tax on estimated temporary difference during the tax holiday period	110.04	101.45
	Expenses that is non-deductible in determining taxable profit	33.01	13.25
	Income not taxable in determining taxable profit	-	(194.96)
	Impact of lower tax rate applicable on subsidiary on account of New Tax Regime	-	84.07
	Deferred tax balances measured at lower rate on account of estimate of timing of transition to New Tax Regime	(100.87)	(128.21)
	Impact on account of Merger	(1,935.45)	
	Tax on other items	(39.49)	13.67
	Income tax expense recognised in statement of profit and loss	**(1,879.90)**	**(529.84)**

(d) The movement in deferred tax assets and liabilities during the year ended 31 March 2023 and 31 March 2022:

		As at 1 April 2022 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2023 ₹ lakhs
	Deferred tax assets in relation to:				
(i)	Allowances for credit losses and doubtful receivables	(541.35)	(142.00)	-	(683.35)
(ii)	Provision for employee benefits	(224.09)	(40.32)	25.77	(238.64)
(iii)	Carry forward of unabsorbed depreciation	(10.52)	(616.06)	-	(626.59)
(iv)	Carry forward of business loss	(6.81)	(1.33)	-	(8.14)
(v)	Lease liabilities	(1,739.92)	(245.12)	-	(1,985.04)
(vi)	Other items giving rise to temporary differences	(381.08)	272.20	-	(108.88)
		(2,903.77)	**(772.63)**	**25.77**	**(3,650.63)**

Notes to the Consolidated Financial Statements

	As at 1 April 2022 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2023 ₹ lakhs
Deferred tax liabilities in relation to:				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets including government grants	5,699.32	(1,260.01)	-	4,439.30
(ii) Right of use assets	1,533.43	193.96	-	1,727.39
	7,232.75	**(1,066.05)**	**-**	**6,166.69**
Deferred Tax liability / (asset)	**4,328.98**	**(1,838.68)**	**25.77**	**2,516.06**
(i) MAT Credit entitlement	(1,767.54)	53.92	-	(1,713.61)
Net Deferred Tax liability / (asset)	**2,561.44**	**(1,784.75)**	**25.77**	**802.45**

	As at 1 April 2021 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deferred tax assets in relation to:				
(i) Allowances for credit losses and doubtful receivables	(426.23)	(115.12)	-	(541.35)
(ii) Provision for employee benefits	(220.81)	(14.25)	10.97	(224.09)
(iii) Carry forward of unabsorbed depreciation	(9.05)	(1.47)	-	(10.52)
(iv) Carry forward of business loss	(5.87)	(0.94)	-	(6.81)
(v) Lease liabilities	-	(1,739.92)	-	(1,739.92)
(vi) Other items giving rise to temporary differences	(104.65)	(276.43)	-	(381.08)
	(766.61)	**(2,148.13)**	**10.97**	**(2,903.77)**
Deferred tax liabilites in relation to:				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets including government grants	5,797.36	(98.04)	-	5,699.32
(ii) Right of use assets	(141.69)	1,675.12	-	1,533.43
	5,655.67	**1,577.08**	**-**	**7,232.75**
Deferred Tax liability / (asset)	**4,889.06**	**(571.05)**	**10.97**	**4,328.98**
(i) MAT Credit entitlement	(1,603.47)	(164.07)	-	(1,767.54)
Net Deferred Tax liability / (asset)	**3,285.59**	**(735.12)**	**10.97**	**2,561.44**

The rate used for calculation of Deferred tax is 34.944% and 25.17% for deferred tax expected to be reversed in the New Tax Regime, being statutory enacted rates at Balance Sheet date.

Notes to the Consolidated Financial Statements

Disclosure in the balance sheet:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deferred tax assets	(5,364.24)	(4,671.31)
Deferred tax liabilities	6,166.69	7,232.75
Deferred tax liabilities / (assets) (net)	**802.45**	**2,561.44**

NOTE 21: OTHER NON-CURRENT LIABILITIES

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Deferred government grant	2,131.72	2,469.09
	2,131.72	**2,469.09**
At 1 April	**2,804.72**	**2,304.05**
Received during the year	-	836.30
Recognised in the statement of profit and loss (Refer Note 26)	(336.50)	(335.63)
At 31 March	**2,468.22**	**2,804.72**
The above amount is classified as:		
Non current	2,131.72	2,469.09
Current	336.50	335.63
	2,468.22	**2,804.72**

NOTE 22: TRADE PAYABLES

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Total outstanding dues of micro enterprises and small enterprises	843.94	839.69
Total outstanding dues of trade payables other than micro enterprises and small enterprises	9,537.45	8,174.56
	10,381.39	**9,014.25**

a. **Trade payables are non interest bearing and are normally settled in 0 to 45 days terms.**

b. **Trade payables Ageing Schedule**

	Outstanding for following periods from due date of payment						Total
	Unbilled ₹ lakhs	Not Due ₹ lakhs	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	₹ lakhs
As at 31 March 2023							
Total outstanding dues of micro enterprises and small enterprises	12.35	652.54	179.05	-	-	-	843.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,534.36	4,124.68	3,765.99	32.39	18.28	61.75	9,537.45
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	1,546.71	**4,777.22**	**3,945.04**	**32.39**	**18.28**	**61.75**	**10,381.39**

Notes to the Consolidated Financial Statements

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2022							
Total outstanding dues of micro enterprises and small enterprises	-	620.61	219.08	-	-	-	839.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	763.71	4,249.34	3,046.02	20.19	87.82	0.82	8,167.90
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	6.66	6.66
	763.71	**4,869.95**	**3,265.10**	**20.19**	**87.82**	**7.48**	**9,014.25**

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

(At amortised cost)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Creditors for capital goods	206.54	235.72
Security deposits	-	100.00
Dividend payable	0.37	0.33
Employee payables	706.52	544.18
Deferred contingent consideration (Refer Note 45)	-	3,003.64
	913.43	**3,883.87**

NOTE 24: OTHER CURRENT LIABILITIES

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Contract liabilities	1,772.86	987.07
Statutory dues	695.59	522.44
Deferred government grant (Refer Note 21)	336.50	335.63
	2,804.95	**1,845.14**

NOTE 25: CURRENT TAX LIABILITIES (NET)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Income tax provision [Net of advance tax: ₹ Nil lakhs (31 March 2022: 35.20 lakhs)]	-	6.01
	-	**6.01**

Notes to the Consolidated Financial Statements

NOTE 26: REVENUE FROM OPERATIONS

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Sale of products		
(a) Finished goods	1,63,634.01	1,37,864.03
(b) Traded goods	536.90	445.74
	1,64,170.91	**1,38,309.77**
Other operating revenues		
(c) Sale of starch	80.41	69.53
(d) Scrap sales	443.21	318.17
(e) Government grant (Refer Note 21 and Note 40)	431.27	741.34
(f) Other operating income	167.42	223.12
	1,122.31	**1,352.16**
	1,65,293.22	**1,39,661.93**
Out of above		
Revenue from contracts with customers	1,64,694.53	1,38,697.47
Other revenue	598.69	964.46
	1,65,293.22	**1,39,661.93**

Note A: Reconciliation of revenue recognised with contract price

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Contract price	1,67,887.27	1,41,882.07
Adjustments for variable consideration:		
Discount and rebates	(3,192.74)	(3,184.60)
Revenue from contract with customers	**1,64,694.53**	**1,38,697.47**

Note B: Disaggregation of revenue

The Company has a single stream of revenue i.e. sale of products. However, the Company has export operations spread across geographical area, viz. in India and outside India, details of which is as under:

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
India	1,64,593.74	1,38,511.58
Outside India	100.79	185.89
	1,64,694.53	**1,38,697.47**

Notes to the Consolidated Financial Statements

Disaggregated information of revenue from sale of products (excluding scrap sales and sale of starch) among different product categories is as follows:

Product groups	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Extruded Namkeen	94,479.98	81,448.85
Traditional Namkeen	26,703.65	21,643.03
Potato Chips	37,587.80	31,126.54
Sweet Snacks	4,367.57	3,476.26
Others	1,031.91	615.09
	1,64,170.91	**1,38,309.77**

Note C: Contract balances

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
(i) Trade receivables (pertaining to contract with customers)	1,398.62	1,657.23
(ii) Contract liabilities	1,772.86	987.07
At the beginning of the year	**987.07**	**638.50**
Add: Received during the year	1,772.86	987.07
Less: Recognised as revenue out of amount recognised as contract liabilities as at the beginning of the period	(987.07)	(638.50)
At the end of the year	**1,772.86**	**987.07**

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised products.

NOTE 27: OTHER INCOME

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Interest income under the effective interest method on:		
Bank deposits	332.16	384.96
Unwinding of financial assets	217.76	307.74
Others	150.28	125.85
Gain on Fair valuation of financial liability	-	554.35
Net gain/ Loss on derecognition of lease liability and ROU assets	75.86	-
	776.06	**1,372.90**

NOTE 28: COST OF MATERIALS CONSUMED

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Inventory at the beginning of the year	11,211.67	10,706.48
Add: Purchases	1,17,402.81	1,04,726.55
	1,28,614.48	**1,15,433.03**
Less: Inventory at the end of the year	(9,512.51)	(11,211.67)
Cost of materials consumed	**1,19,101.97**	**1,04,221.36**

Notes to the Consolidated Financial Statements

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Opening stock		
Finished goods	2,621.99	1,765.47
Traded goods	11.57	7.42
	2,633.56	**1,772.89**
Less: Closing stock		
Finished goods	3,216.33	2,621.99
Traded goods	165.92	11.57
	3,382.25	**2,633.56**
(Increase) / Decrease in inventories of Finished goods and Traded goods	**(748.69)**	**(860.67)**

NOTE 30: EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Salaries, wages and bonus	6,513.03	5,173.83
Employee stock appreciation rights expense (Refer Note 42)	232.33	(82.86)
Contribution to provident and other funds	386.56	314.23
Gratuity expense (Refer Note 35)	91.28	91.48
Staff welfare expenses	317.44	221.49
	7,540.64	**5,718.17**

NOTE 31: FINANCE COSTS

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	107.53	125.06
Lease liabilities (Refer Note 36)	514.82	500.18
Other finance costs	32.24	46.59
	654.59	**671.83**

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Depreciation on property, plant and equipments (Refer Note 3)	3,154.44	2,687.30
Depreciation on right of use asset (Refer Note 3)	1,921.95	1,624.53
Amortisation of intangible assets (Refer Note 4)	1,136.52	1,065.35
	6,212.91	**5,377.18**

Notes to the Consolidated Financial Statements

NOTE 33: OTHER EXPENSE

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Consumption of stores, spares and other consumables	1,334.58	1,338.11
Security charges	311.92	309.96
Housekeeping charges	233.00	220.15
Power and fuel	3,700.03	2,986.76
Contract labour expenses	6,755.59	3,931.49
Freight and forwarding charges	10,997.85	9,194.56
Rent / lease rent (Refer Note 36)	184.40	142.74
Rates and taxes	24.78	73.25
Insurance charges	143.69	116.83
Job work charges	3,511.43	2,196.31
Repairs and maintenance		
- Plant and machinery	732.28	581.24
- Buildings	171.50	153.26
- Others	359.41	304.64
Advertisement and sales promotion	1,363.55	1,080.68
Trade receivables written off	0.56	-
Travelling and conveyance	815.78	517.27
Printing and stationery	56.14	36.41
Legal and professional fees	520.39	372.54
Payment to auditor	119.30	75.84
Loss on sale / discard of property, plant and equipments	24.55	0.28
Corporate social responsibility expenditure	67.80	93.00
Independent directors sitting fees and commission	44.50	55.18
Miscellaneous expenses	448.83	217.96
	31,921.86	**23,998.46**

NOTE 34: EARNINGS PER SHARE ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent 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 of the parent 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.

Notes to the Consolidated Financial Statements

The following reflects the income and shares data used in the basic and diluted EPS computations:

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
(a)	Profit attributable to equity holders of the parent	2,031.18	290.90
(b)	Weighted average number of equity shares outstanding for computing basic EPS	234.53	234.53
(c)	Effect of potential equity shares on Employee Stock Appreciation Rights ('ESAR')*	-	-
(d)	Effect of equity shares pending to be issued on account of business combination	4.07	-
(e)	Weighted average number of equity shares outstanding for computing diluted EPS [(b) + (c) +(d)]	**238.59**	**234.53**
EPS (in ₹)			
Basic (Face value of ₹ 5 each)		8.51	1.24
Diluted (Face value of ₹ 5 each)		8.51	1.24

**ESAR are anti-dilutive in nature and accordingly, the same has not been considered for the purpose of calculation of Diluted EPS.*

NOTE 35: EMPLOYEE BENEFITS

(a) Defined contribution plans

a. Provident fund

The Group makes provident fund contributions to defined contribution plan for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs. The Group has no obligation, other than the contribution payable to the fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Group has recognised following amounts as expense in the statement of profit and loss :

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Included in contribution to provident and other funds under Employees benefit expenses		
Provident fund	351.75	278.92

(b) Defined benefit plans

Gratuity - Non-funded

The Group has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is unfunded.

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Current	58.24	54.87
Non-current	440.76	452.05
	499.00	**506.92**

Notes to the Consolidated Financial Statements

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for gratuity:

			Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
I	**(a)**	**Expense recognised in the statement of profit and loss**		
		Current service cost (Refer Note 30)	91.28	91.48
		Interest cost on benefit obligation (Refer Note 31)	33.38	29.91
		Components of defined benefit costs recognised in statement of profit and loss	**124.65**	**121.39**
	(b)	**Included in other comprehensive income**		
		Actuarial (gain) / loss for the year on defined benefit obligation		
		Actuarial (gain) / loss due to change in financial assumptions	(20.28)	(26.16)
		Actuarial (gain) / loss due to experience adjustments	(53.46)	(7.92)
		Actuarial (gain) / loss recognised in other comprehensive income	**(73.74)**	**(34.08)**
II	**Change in present value of defined benefit obligation during the year**			
	1.	Present value of defined benefit obligation at the beginning of the year	506.92	491.97
	2.	Interest cost	33.38	29.91
	3.	Current service cost	91.28	91.48
	4.	Benefits paid	(58.84)	(71.86)
	5.	Actuarial gain / (loss) on obligation	(73.74)	(34.08)
	6.	Present value of defined benefit obligation at the end of the year	**499.00**	**506.92**

Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy deviced for the plan.

The principal assumptions used in determining gratuity liability for the Company are shown below:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Discount rate (%)	7.45%	6.95%
Future salary increases:	7.00%	7.00%
Mortality	Indian assured lives mortality (2012-14) table	Indian assured lives mortality (2012-14) table
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

Notes to the Consolidated Financial Statements

A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	(18.89)	(20.08)
Impact of 0.50% decrease in rate	20.28	21.64

	Future salary increases	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	18.15	19.10
Impact of 0.50% decrease in rate	(17.51)	(18.39)

	Withdrawal rate	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Impact on defined benefit obligation		
Impact of 10% increase in rate	0.15	(1.11)
Impact of 10% decrease in rate	(0.38)	1.05

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

The following payments are expected in future years:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Within the next 12 months (next annual reporting period)	58.24	54.87
Between 2 and 5 years	182.27	164.83
Beyond 5 years	230.26	240.95

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.52 years (As at 31 March 2022: 8.60 years).

Notes to the Consolidated Financial Statements

NOTE 36: LEASES

i) Group as a lessee

The Group has lease contracts for land, building and manufacturing facilities with lease term ranging between 2 to 10 years. There are certain lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group also has certain leases of office premises and warehouses with lease term of 12 months or less and those of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions as available in Ind AS 116 'Leases' for these leases.

a) Amounts recognised in profit and loss

The following amounts are recognised in the statement of profit or loss

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Depreciation of Right-of-use assets	1,921.95	1,624.53
Interest on lease liabilities	514.82	500.18
Expenses related to short term leases and leases of low - value assets	184.40	142.74
	2,621.17	**2,267.45**

b) The carrying amounts of lease liabilities and the movements during the year:

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
As at 1 April	**4,979.73**	**4,710.41**
Addition during the year	3,024.19	2,409.28
Derecognised during the year	(635.77)	(700.90)
Accretion of interest	514.82	500.18
Payments	(2,201.68)	(1,939.24)
As at 31 March	**5,681.29**	**4,979.73**
The above amount is classified as:		
Non-current	3,926.83	3,572.41
Current	1,754.46	1,407.32
	5,681.29	**4,979.73**

Refer Note 3(b) for additions to Right-Of-Use Assets and the carrying amount of Right-Of-Use Assets as at the year end. Further, Refer Note 46 for maturity analysis of lease liabilities.

c) Amount as per the Statement of Cash Flows:

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Repayment of lease liabilities	1,686.86	1,439.06
Interest paid on lease liabilities	514.82	500.18
Short term leases, leases of low value assets and variable lease payments	184.40	142.74
Total Cash outflow for leases	**2,386.08**	**2,081.98**

Notes to the Consolidated Financial Statements

NOTE 37: COMMITMENTS AND CONTINGENCIES

I. Capital commitments

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,477.43	642.99

II. Other commitments

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
(a) Preservation charges payable to cold storage owners	472.17	393.22

III. Contingent liabilities (to the extent not provided for)

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Claims against the Group not acknowledged as debts		
Disputed Goods and Service Tax liability*	1,313.06	-
Provident fund**	Amount not determinable	Amount not determinable
	1,313.06	**-**

Notes:

**The Group received an demand order from the Commercial Tax department "GST" Madhya Pradesh regarding the classification issue for product category "Fried Namkeen - Fryums". The Group has filed an appeal against the said order before Joint Commissioner (Appeals) which is pending for disposal as at year end.*

***There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its consolidated financial statement, the Group has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1 March 2019 i.e., immediately after pronouncement of the judgement. The Group will evaluate its position, in case there is any other interpretation issued in future either in form of Social Security Code 2020, or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.*

****The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are notified.*

The Group, in respect of the above mentioned contingent liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

Notes to the Consolidated Financial Statements

NOTE 38: RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship

(a)	**Related parties where control exists:**	Nil
(b)	**Other related parties with whom transactions have taken place during the current year or previous year:**	
	Enterprise having significant influence	SCI Growth Investment II
	Key management personnel ("KMP")	Mr. Arvind Mehta, Chairman and Executive Director
		Mr. Amit Kumat, Managing Director and Chief Executive Officer
		Mr. Apoorva Kumat, Executive Director - Operations
		Mrs. Anisha Motwani, Independent Director
		Mr. Vineet Kumar Kapila, Independent Director
		Mr. Haresh Ram Chawla, Independent Director (till 15 June 2021)
		Mr. Chetan Kumar Mathur, Independent Director
		Mr. Bharadwaj Thiruvenkata Venkatavaraghavan, Independent Director
	Relatives of key management personnel	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta
		Mr. Naveen Mehta, Brother of Mr. Arvind Mehta
		Mr. Arun Mehta, Brother of Mr. Arvind Mehta
		Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta
		Mrs. Rita Mehta, Wife of Mr. Arun Mehta
		Mrs. Premlata Kumat, Mother of Mr. Amit Kumat
		Mrs. Swati Bapna, Sister of Mr. Amit Kumat
		Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat
		Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat
		Mr. Satvik Kumat, Son of Mr. Apoorva Kumat
	Company in which relatives of KMP have control	Vyapaar Vistar Tech Private Limited

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

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
a.	**Remuneration - short term employee benefits**		
	Key managerial personnel*#	270.00	247.50
	Independent directors sitting fees and commission (including reimbursement of expenses)**	44.50	55.18
		314.50	**302.68**

** Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.*

*** Includes provision for commission payable to Independent Directors amounting to ₹ 20 lakhs (31 March 2022: ₹ 20 lakhs)*

 # Managerial remuneration to key managerial personnel for the year ended 31 March 2023 is in excess of limit laid down under section 197 of the Companies act, 2013. As per the relevant provsions of the act, the Group has obtained the approval for this excess amount by way of a special resolution from the shareholders through postal ballot on 23 May 2023.

Notes to the Consolidated Financial Statements

		Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
b.	**Dividend Paid**		
	Enterprise having significant influence	41.97	41.97
	Key managerial personnel	8.48	8.48
	Relatives of key management personnel	18.60	18.60
		69.05	**69.05**
c.	**Services received**		
	Company in which relatives of KMP have control	289.81	81.28
		289.81	**81.28**

		As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
d.	**Closing balances**		
	Advance to vendors		
	Company in which relatives of KMP have control	35.58	-
		35.58	**-**
	Remuneration Payable		
	Key managerial personnel*#	29.29	15.40
		29.29	**15.40**

Terms and conditions of transactions with related parties

The Group's material related party transactions and outstanding balances are with related parties with whom the Group's routinely enters into transactions in the ordinary course of business.

NOTE 39: SEGMENT INFORMATION

For management purpose, the Group comprise of only one reportable segment – Snacks food. The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated financial statements.

A Information about products and services

	Year ended 31 March 2023 ₹ lakhs	Year ended 31 March 2022 ₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	1,63,634.01	1,37,864.03
Traded goods	536.90	445.74
	1,64,170.91	**1,38,309.77**

Notes to the Consolidated Financial Statements

B Information about geographical areas

	Sale of goods ₹ lakhs	Non current assets ₹ lakhs
Year ended 31 March 2023		
India	1,64,070.12	59,566.64
Outside India	100.79	-
Total	**1,64,170.91**	**59,566.64**
Year ended 31 March 2022		
India	1,38,123.88	56,385.07
Outside India	185.89	-
Total	**1,38,309.77**	**56,385.07**

C Notes

1. Segment revenue in the geographical segments considered for disclosure are as follows:
   a) Revenue within India includes sales to customers located within India.
   b) Revenue outside India includes sales to customers located outside India.

2. The Group does not have any customer, with whom revenue from transactions is more than 10% of Group's total revenue.

3. Non current assets consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

NOTE 40: GOVERNMENT GRANTS

Government grant consists of GST incentive amounting to ₹ 94.77 lakhs (31 March 2022: ₹ 65.95 lakhs), freight subsidy amounting to Nil (31 March 2022: ₹ 336.78 lakhs) and capital subsidy amounting to ₹ 336.50 lakhs (31 March 2022: ₹ 338.61 lakhs). There are no unfulfilled conditions or contingencies attached to these grants.

NOTE 41: EXCEPTIONAL ITEM

There was a fire accident in one of the Holding Company's plants situated at Howrah, West Bengal, on 3 November 2021. The fire has severely impacted the building, plant & machinery, leasehold improvements, and inventories lying at the plant; however, there were no human causalities. The total impact of this event was ₹ 1,393.76 lakhs. Considering the nature of the event and magnitude of impact, this amount was disclosed as an exceptional item in the statement of profit and loss for the year ended 31 March 2022. Pending completion of the survey and acceptance of the claim by the insurance company, the insurance claim receivable has not been recorded in the financial statements.

NOTE 42: EMPLOYEE STOCK PURCHASE PLAN

The Nomination and Remuneration Committee of the Board of Directors of the Holding Company at its meeting held on 9 August 2019, 4 February 2022 and 19 August 2022 have granted 3,47,000, 59,800 and 2,00,821 Stock Appreciation Rights ('SAR') respectively to eligible employees of the Group under the Prataap Employees Stock Appreciation Rights Plan 2018 ('ESAR'). The said ESAR was approved by the shareholders in their Annual General Meeting held on 28 September 2018. The rights entitle the employees, to equity shares of the Holding Company on the satisfaction of service conditions attached to the grant and consequent exercise of the rights by the employees. The SAR's shall be vested in four equal instalments every year commencing from the end of one year from the grant date. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise. The SAR's expire at the end of 5 years from the grant date.

Notes to the Consolidated Financial Statements

Movement during 31 March 2023

Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	2,50,166	775 - 842.70	791.18	3.42
Granted during the year	2,00,821	767.00	767.00	4.33
Forfeited / Cancelled during the year	27,283	775.00	775.00	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	4,23,704	767 - 842.70	780.76	3.36
Exercisable at the end of the year	1,40,040	775 - 842.70	782.23	1.50

Movement during 31 March 2022

Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,47,000	775.00	775.00	3.86
Granted during the year	59,800	842.70	842.70	5.35
Forfeited / Cancelled during the year	1,56,634	775.00	775.00	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,50,166	775 - 842.70	791.18	3.42
Exercisable at the end of the year	1,00,761	775.00	775.00	1.89

Method used for accounting for share based payment plan:

The Group has used the fair value method to account for the compensation cost of SAR's to employees. The fair value of SAR's is estimated on the date of grant using the Black Scholes model. The fair value of SAR's and inputs used in the measurement of fair values on the grant date are as follows:

	Grant Date		
	09 August 2019	04 February 2022	19 August 2022
Fair value at the grant date	257.24	241.45	225.61
Share price at the grant date	778.45	842.70	767.85
Exercise Price	775.00	842.00	767.00
Risk Free Interest Rate	6.02%	5.05%	6.49%
Expected Life (in years)	4.01	2.50	2.50
Expected Volatility	30.25%	39.86%	38.47%
Dividend Yield	0.13%	0.09%	0.09%

Expected volatility has been based on an evaluation of the historical volatility of the Holding Company's share price, particularly over the historical period commensurate with the expected term.

Notes to the Consolidated Financial Statements

Amount recognised in the consolidated financial statement related to employee stock appreciation rights

	31 March 2023 ₹ lakhs	31 March 2022 ₹ lakhs
Employee stock appreciation rights expense - included in Employee benefits expense (Refer Note 30)	232.33	(82.86)
Carrying amount of Employee stock appreciation rights reserve - included in Other Equity (Refer Note 17)	623.27	502.10

NOTE 43: INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF THE ACT

Name of the entity	% of share in Net Assets		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
Year ended 31 March 2023								
Holding Company								
Prataap Snacks Limited	100%	67,594.57	100%	2,026.25	100%	47.97	100%	2,074.22
Employee Welfare Trust								
Prataap Snacks Employees Welfare Trust	0%	29.74	(0%)	4.93	-	-	(0%)	4.93
	100%	**67,624.31**	**100%**	**2,031.18**	**100%**	**47.97**	**100%**	**2,079.15**
Adjustments arising on consolidation	(0%)	(1.00)	-	-	-	-	-	-
Total	**100%**	**67,623.31**	**100%**	**2,031.18**	**100%**	**47.97**	**100%**	**2,079.15**

Name of the entity	% of share in Net Assets		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
Year ended 31 March 2022								
Holding Company								
Prataap Snacks Limited	100%	62,401.65	98%	285.91	100%	23.11	98%	309.02
Employee Welfare Trust								
Prataap Snacks Employees Welfare Trust	0%	24.82	2%	4.99	-	-	2%	4.99
	100%	**62,426.47**	**99%**	**290.90**	**100%**	**23.11**	**99%**	**314.01**
Adjustments arising on consolidation	(0%)	(1.00)	-	-	-	-	-	-
Total	**100%**	**62,425.47**	**100%**	**290.90**	**100%**	**23.11**	**100%**	**314.01**

Notes to the Consolidated Financial Statements

NOTE 44: FAIR VALUES

Fair value	Note	Carrying value As at 31 March 2023 ₹ lakhs	Carrying value As at 31 March 2022 ₹ lakhs
Financial assets			
Measured at Amortised Cost			
Loans	5, 13	2,005.11	1,901.99
Subsidy receivable	6, 14	2,653.52	2,927.44
Trade receivables	10	1,398.62	1,657.23
Cash and cash equivalents	11	2,190.15	1,898.88
Bank balance other than cash and cash equivalents	12	714.70	1,317.70
Other financial assets	6, 14	3,914.97	7,902.42
		12,877.07	**17,605.66**

	Note	Carrying value As at 31 March 2023 ₹ lakhs	Carrying value As at 31 March 2022 ₹ lakhs
Financial liabilities			
Measured at Amortised Cost			
Lease liabilities	36	5,681.29	4,979.73
Borrowings	18	300.00	3,008.22
Trade payables	22	10,381.39	9,014.25
Other financial liabilities	23	913.43	880.23
		17,276.11	**17,882.43**
Measured at Fair value through profit and loss			
Deferred contingent consideration (Refer Note 50)	19, 23	-	3,003.64
		-	**3,003.64**

The management assessed that fair value of trade receivables, other current financial assets, current loans, cash and bank balances, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Loans and other financial assets are evaluated by the Group based on parameters such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability as at the balance sheet date.

Notes to the Consolidated Financial Statements

NOTE 45: FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

		As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
I)	**Financial assets/liabilities at amortised cost**		
	The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except subsidy receivables for which the fair value are as follows:		
	Fair value of subsidy measured at amortised cost (Level 2)	2,271.97	2,532.14
II)	**Financial liabilities at fair value through profit & loss**		
	Deferred contingent consideration (Refer Note 50) (Level 3)	-	3,003.64

The Group determines the fair value of its financial instruments on the basis of the following hierarchy:

Level 1: The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

There are no transfers between different fair value hierarchy levels in 31 March 2023 and 31 March 2022.

Fair value measurements

The following table shows the valuation technique used in measuring level 2 and level 3 values for financial instruments

Financial Asset / Liabilities	Valuation Technique	Significant unobservable inputs
Subsidy Receivable (Level 2)	The valuation model considers the present value of expected future cash flows discounted using discount rate as on the reporting date	Not Applicable
Deferred contingent consideration (Refer Note 50) (Level 3)	31- March 2022 - The valuation model considers the estimate of present value of maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited.	Discount rate 31 March 2023 - NA 31 March 2022 - 11.00% Expected profitability 31 March 2023 - NA 31 March 2022 - 15.00%

Sensitivity Analysis (Level 3 fair values)	Sensitivity	Significant unobservable inputs
Deferred contingent consideration (Refer Note 50)	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 40.00 lakhs	Discount rate
	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 44.00 lakhs	Expected profitability

Notes to the Consolidated Financial Statements

A reconciliation of fair value measurement of the deferred contingent consideration is provided below:

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Opening balance as at 1 April	3,003.64	3,557.99
Change in the fair value during the year recognised in the statement of profit and loss (unrealised) (Refer Note 27)	-	(554.35)
Shares pending issuance pursuant to scheme of amalgamation (Refer Note 50)	(3,003.64)	
Closing balance as at 31 March	**-**	**3,003.64**

NOTE 46: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, subsidy receivable, cash and cash equivalents, trade receivables and other receivables that are derived directly from its operations.

The Group is exposed to market risks, credit risks and liquidity risks. The Group's senior management oversees the management of these risks. The Group's senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and price risk, such as equity price risk. The Group is not significantly exposed to currency risk and price risk whereas the exposure to interest risk is given below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings.

	Carrying value	
	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Borrowings (variable interest rate)	300.00	3,008.22

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for term loans that have floating rate at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If the interest rates had been 100 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	Year ended 31 March 2023		Year ended 31 March 2022	
	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs
Interest expenses on loan	0.01	(0.01)	2.21	(2.21)
Effect on profit before tax and equity	(0.01)	0.01	(2.21)	2.21

Notes to the Consolidated Financial Statements

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk arising on its trade receivables. Based on the historical experience and credit profile of counterparties (schedule banks, government and employees), the Group does not expect any significant risk of defaults arising on financial assets except trade receivables i.e. loans, subsidy receivables, cash and cash equivalents and other financial assets.

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Trade receivables	1,398.62	1,657.23
	1,398.62	**1,657.23**

Refer Note a below for credit risk and other information in respect of trade receivables.

a. Trade receivables

Customer credit is managed by the Group through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date, the further shipments are controlled and can only be released if there is a proper justification.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Based on the industry practices and the business environment in which the Group operate, management considers the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2023							
Undisputed Trade Receivables – considered good	-	1,455.67	123.89	-	-	-	1,579.56
Undisputed Trade receivable – credit impaired	-	-	-	588.33	67.27	290.08	945.68
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	12.68	2.11	-	139.90	154.69
	-	**1,455.67**	**136.57**	**590.44**	**67.27**	**429.98**	**2,679.93**
Expected loss rate	0.00%	4.71%	91.62%	100.00%	100.00%	100.00%	
Loss allowance provision	**-**	**68.50**	**125.12**	**590.44**	**67.27**	**429.98**	**1,281.31**

Notes to the Consolidated Financial Statements

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2022							
Undisputed Trade Receivables – considered good	-	1,665.88	364.45	-	-	-	2,030.33
Undisputed Trade receivable – credit impaired	-	-	-	93.93	143.64	215.18	452.75
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	4.00	3.63	62.34	69.97
	-	**1,665.88**	**364.45**	**97.93**	**147.27**	**277.52**	**2,553.05**
Expected loss rate	0.00%	1.98%	94.14%	96.90%	100.00%	100.00%	
Loss allowance provision	**-**	**33.06**	**343.08**	**94.89**	**147.27**	**277.52**	**895.82**

Reconciliation of loss allowance provision for trade receivables

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Balance as at beginning of the year	895.82	474.63
Add/ (less): Provision for expected credit losses	385.49	421.19
Balance at end of the year	**1,281.31**	**895.82**

Liquidity Risk

(i) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's principle sources of liquidity are cash and bank balances, fixed deposits and the cash flow that is generated from operations. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, liquidity risk is considered as low. The Group closely monitors its liquidity position and also maintains adequate source of funding.

(ii) Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes to the Consolidated Financial Statements

	Carrying value ₹ lakhs	Less than 1 Year ₹ lakhs	1 - 5 Years ₹ lakhs	More than 5 years ₹ lakhs	Total ₹ lakhs
As at 31 March 2023					
Non-Current liabilities:					
(i) Lease liabilities	3,926.83	-	3,863.52	675.89	4,539.41
Current liabilities:					
(i) Borrowings	300.00	300.00	-	-	300.00
(ii) Lease liabilities	1,754.46	2,156.69	-	-	2,156.69
(iii) Trade payables	10,381.39	10,381.39	-	-	10,381.39
(iv) Other financial liabilities	913.43	913.43	-	-	913.43
	17,276.11	**13,751.51**	**3,863.52**	**675.89**	**18,290.90**
As at 31 March 2022					
Non-Current liabilities:					
(i) Lease liabilities	3,572.41	-	3,428.21	869.82	4,298.03
Current liabilities:					
(i) Borrowings	3,008.22	3,008.22	-	-	3,008.22
(ii) Lease liabilities	1,407.32	1,798.01	-	-	1,798.01
(iii) Trade payables	9,014.25	9,014.25	-	-	9,014.25
(iv) Other financial liabilities	3,883.87	3,883.87	-	-	3,883.87
	20,886.07	**17,704.35**	**3,428.21**	**869.82**	**22,002.37**

Changes in liabilities arising from financing activities:

	As at 1 April 2022	Non Cash Changes			Cash flow changes	As at 31 March 2023
		Accretion of interest	New leases recognised during the year	Leases derecognised during the year		
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Lease liabilities	4,979.73	514.82	3,024.19	(635.77)	(2,201.69)	5,681.28
Borrowings	3,008.22	-	-	-	(2,708.22)	300.00
	7,987.95	**514.82**	**3,024.19**	**(635.77)**	**(4,909.91)**	**5,981.28**

Notes to the Consolidated Financial Statements

	As at 1 April 2021	Non Cash Changes			Cash flow changes	As at 31 March 2022
		Accretion of interest	New leases recognised during the year	Leases derecognised during the year		
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Lease liabilities	4,710.41	500.18	2,409.28	(700.90)	(1,939.24)	4,979.73
Borrowings	1,014.18	9.33	-	-	1,984.71	3,008.22
	5,724.59	**509.51**	**2,409.28**	**(700.90)**	**45.47**	**7,987.95**

NOTE 47: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholders' value. The Group's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Group is monitoring capital using debt equity ratio as its base, which is debt to equity. The Group's policy is to keep healthy debt equity ratio ensuring minimum debt. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	As at 31 March 2023	As at 31 March 2022
	₹ lakhs	₹ lakhs
Debt* (A)	300.00	3,008.22
Equity (B)	67,623.31	62,425.47
Debt / Equity Ratio (A / B)	0.004	0.050

**Excluding lease liabilities*

NOTE 48: OTHER STATUTORY INFORMATION

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off under section 248 of Companies act 2013

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

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 Group (Ultimate Beneficiaries) or

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

Notes to the Consolidated Financial Statements

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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

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

(vii) The Group do not have any such transactions which has not been recorded in the books of accounts but 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

(viil) The Group has not been declared as wilful defaulter by any bank of financial institution or other lender.

NOTE 49: SCHEME OF AMALGAMATION

The Board of Directors of the Holding Company at its meeting held on 29 September 2021 had approved the Scheme of Arrangement (the "Scheme") for merger of its subsidiaries (transferor companies) with the company (transferee company). Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench and Indore bench on 8 June 2022 and 12 May 2022 respectively.

NCLT, Ahmedabad bench has sanctioned the Scheme and pronounced its order on 10 February 2023 certified copy of which was received by the company on 23 February 2023. NCLT, Indore bench has sanctioned the Scheme and pronounced its order on 3 March 2023 and suo moto amended on 15 March 2023 certified copy of which was received by the company on 21 March 2023.

Accordingly, the Holding Company has given effect to the Scheme from the appointed date i.e. 1 April, 2021 in these financial statements for the year ended 31 March 2023 by restating the earlier standalone financial statements for the year ended 31 March 2022 as if the business combination had occurred from the beginning of the preceding period i.e. 1 April 2021.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from the appointed date at their respective carrying values as per requirements of Appendix C to Ind AS 103.

The details of the Company and the merger of the transferor companies with the Company are as below:

	Transferor Company 1	Transferor Company 2
Name of the transferor company	Avadh Snacks Private Limited	Red Rotopack Private Limited
General nature of business	Manufacturing and trading of snacks food	Manufacturing and trading of packaging laminate
Appointed date of the Scheme	1 April 2021	1 April 2021
Description and number of shares issued (Refer Note 17, 23 and 46)	Pursuant to the terms of this Scheme, the Transferee Company shall allot 406,556 (Four lakhs six thousand five hundred fifty six) equity shares of face value of ₹ 5 each, as fully paid-up, to the shareholders of the Transferor Company 1 (except the Transferee Company).	

Pursuant to the Scheme the merger has been accounted for as per the applicable accounting principals prescribed under the relevant Indian Accounting Standards.

Notes to the Consolidated Financial Statements

(a) Accounting Treatment

(i) The transferee Company has recorded all the assets and liabilities of the transferor companies vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of Transferee Company.

(ii) The identity of the reserves has been preserved and the Transferee Company has recorded the reserves of the Transferor Companies, at the carrying amount as appearing in the consolidated financial statements of Transferee Company.

(iii) The value of all investments held by the Transferee Company in the Transferor Companies stand cancelled pursuant to amalgamation and difference, if any arising after taking the effect of schemes has been transferred to "Capital Reserve Account" in the financial statements of the Transferee Company.

(iv) Pursuant to the amalgamation of the Transferor Companies with the Transferee Company, inter-company balances between Transferee Company and the Transferor Companies, if any, appearing in the books of the Transferee Company stand cancelled.

The carrying value of the assets and liabilities taken over in accordance with the terms of the Scheme and included in the presentation of these financial statements as at appointed date i.e. 1 April 2021 are as follows:

Particulars	Amount ₹ lakhs
ASSETS	
NON-CURRENT ASSETS	
Property, plant and equipment	3,385.58
Capital work-in-progress	8.65
Intangible assets - Goodwill	4,611.01
Intangible assets	17,111.69
Other non-current financial assets	11.50
Deferred tax assets (net)	21.51
Tax assets (net)	37.09
TOTAL NON-CURRENT ASSETS	**25,187.03**
CURRENT ASSETS	
Inventories	1,010.83
Financial assets	
(i) Trade receivables	105.23
(ii) Cash and cash equivalents	222.75
(iii) Bank balance (other than (ii) above)	306.22
Other current assets	72.64
TOTAL CURRENT ASSETS	**1,717.67**
TOTAL ASSETS - A	**26,904.70**

Notes to the Consolidated Financial Statements

Particulars	Amount ₹ lakhs
EQUITY AND LIABILITIES	
EQUITY	
Other equity	942.48
TOTAL EQUITY	**942.48**
LIABILITIES	
NON-CURRENT LIABILITIES:	
Provisions	34.77
Deferred tax liabilities (net)	4,513.11
TOTAL NON-CURRENT LIABILITIES	**4,547.88**
CURRENT LIABILITIES:	
Financial liabilities	
(i) Trade payables	
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	589.60
(ii) Other current financial liabilities	0.47
Provisions	0.08
Other current liabilities	166.20
TOTAL CURRENT LIABILITIES	**756.35**
TOTAL LIABILITIES - B	**6,246.70**
Total net identifiable assets acquired C = (A-B)	20,658.00
Carrying amount of investments in transferor company cancelled (D)	20,658.00
Excess of net assets over investment E = (C-D)	-

Notes:

(a) As the appointed date of the Scheme is 1 April 2021, the previous year's numbers i.e. for the year ended 31 March 2022 have been revised to include the financial information of the Transferor Companies.

(b) The authorised share capital of the Transferee Company, automatically stands increased, by clubbing the authorised share capital of the Transferror Companies which is ₹ 1075 lakh divided into 215 lakh equity shares of ₹ 5 each (31 March 2022: ₹ 1075 lakh divided into 107.50 lakh equity shares of ₹ 10 each)

(c) Further, pursuant to the approval of the Scheme from the specified retrospective appointed date of 1 April 2021, a revised return of income for the year ended 31 March 2022 after taking into consideration the overriding effect of the provision in the Scheme would be filed by the Company. The impact of such revised return on the current and deferred tax has been recognised in the statement of profit and loss for the year ended 31 March 2023.

As per our report of even date

For **B S R & Co. LLP**
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership no.: 091765
UDIN: 23091765BGYZJQ9767

Place : New Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 26 May 2023

Notice

14TH ANNUAL GENERAL MEETING

Prataap Snacks Limited
CIN: L15311MP2009PLC021746
Registered Office: Khasra No. 378/2, Nemawar Road, Near Makrand House,
Palda, Indore – 452020, Madhya Pradesh, India
Tel: (+91 731) 243 9999
E-mail: complianceofficer@yellowdiamond.in **Website:** www.yellowdiamond.in

NOTICE is hereby given that the Fourteenth (14th) Annual General Meeting of the members of Prataap Snacks Limited ("the Company") will be held on Thursday, 3rd August, 2023 at 3:30 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditor thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 and the Report of Auditor thereon.

2. To declare dividend on equity shares of the Company for the financial year ended 31st March, 2023.

3. To appoint a Director in place of Mr. Arvind Mehta (DIN: 00215183), who retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.

By Order of the Board of Directors
For **Prataap Snacks Limited**

Om Prakash Pandey
Company Secretary and Compliance Officer

Registered Office:
Khasra No. 378/2, Nemawar Road, Near Makrand House,
Palda, Indore - 452020, Madhya Pradesh, India

Place: Indore
Date: 26th May, 2023

NOTES FOR MEMBERS' ATTENTION

1. The Ministry of Corporate Affairs (MCA) has vide its Circular No. 10/2022 dated 28th December, 2022 read with Circular Nos. 2/2022 dated 5th May, 2022, 21/2021 dated 14th December, 2021, 02/2021 dated 13th January, 2021, 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting of companies through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of the members at a common venue. Further, the Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 read with SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 ("SEBI Circulars") has provided relaxation from compliance with certain provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") regarding sending of hard copy of annual report and proxy form in line with aforesaid MCA Circulars.

2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") and Listing Regulations read with the MCA Circulars and SEBI Circulars, the 14th Annual General Meeting ("AGM"/"Meeting") of the Company is being conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM). In accordance with Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/ Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company, which shall be the deemed venue of the AGM.

3. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Since, this AGM is being held through VC/OAVM hence, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members is not available for the AGM and hence, the proxy form and attendance slip are not annexed hereto. However, the Institutional/ Corporate Shareholders are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Since, the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is also not annexed hereto.

4. Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility to attend the AGM through VC/OAVM will be made available for 1000 members on first-come-first-served basis. The large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first-come-first-served basis.

5. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 28th July, 2023 to Thursday, 3rd August, 2023, (both days inclusive) for the purpose of AGM and determining the name of members eligible for dividend on equity shares, if declared, at the Meeting.

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM through VC/OAVM upon log-in to CDSL e-Voting system. All the above documents will also be available electronically for inspection upto the date of AGM. Members seeking to inspect such documents can send an e-mail to complianceofficer@yellowdiamond.in.

8. If the dividend as recommended by the Board of Directors is declared at the AGM, payment of such dividend will be made on or before 1st September, 2023 as under:

   (i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 27th July, 2023; and

   (ii) To all Members in respect of shares held in physical form as per Register of Members as of the close of business hours on 27th July, 2023 after giving effect to valid transposition or transmission request, if any, lodged with the Company on or before 27th July, 2023.

9. As you may be aware, in terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend paid or distributed by a company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend.

   For Resident Shareholders:

   - Tax will be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during FY 2023-24 provided PAN is submitted by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961. However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him/her during FY 2023-24 does not exceed ₹ 5,000.

- Separately, in case where the shareholder submits Form 15G Click here to download Form 15G (applicable to any person other than a company or firm)/Form 15H Click here to download Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no tax at source will be deducted.

For Resident Shareholders other than Individuals: No tax will be deducted at source provided sufficient documentary evidence thereof, to the satisfaction of the Company is submitted. This illustratively includes providing the following:

- **Insurance Companies:** A declaration that they are beneficial owners of the shares held alongwith with self-attested copy of PAN.
- **Mutual Funds:** Self-declaration that they are specified and covered under Section 10(23D) of the Income Tax Act, 1961 alongwith a self-attested copy of PAN and registration certificate.
- **Alternative Investment Fund (AIF) established/ incorporated in India:** Self-declaration that its income is exempt under Section 10(23FBA) of the Income Tax Act, 1961 and they are established as Category I or Category II AIF under SEBI Regulations alongwith a self-attested copy of PAN and registration certificate.
- **Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income:** Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 alongwith a self-attested copy of PAN and registration certificate.
- **Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and who are covered under Section 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit an attested copy of PAN alongwith the documentary evidence in relation to the same.

For Non-resident Shareholders: Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax will be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
- Self-declaration in Form 10F (Click here to download Form 10F) if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of Permanent Account Number (PAN) allotted by the Indian Income Tax authorities.
- Self-declaration in the attached format (Click here to download form), certifying the following points:
  - i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2022-23;
  - ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - iv. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
  - v. Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2022-23.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non-Resident shareholder.

Notwithstanding as mentioned above, tax will be deducted at source at the rate of 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors

(FII) and Foreign Portfolio Investors (FPI). Such TDS rate will not be reduced on account of the application of favorable DTAA rate, if any.

TDS to be deducted at higher rate in case of non-filers of return of income: Section 206AB of the Income Tax Act, 1961 effective from 1st July, 2021 provides that where tax is required to be deducted at source on any sum or income or amount paid, or payable or credited, by a person to a specified person, the tax shall be deducted at the higher of the following rates, namely:

(i) at twice the rate specified in the relevant provision of the Income Tax Act, 1961; or

(ii) at twice the rate or rates in force; or

(iii) at the rate of 5%

If the provisions of Section 206AA of the Income Tax Act, 1961 is applicable to a specified person, in addition to the provisions of Section 206AB of the Income Tax Act, 1961, the tax shall be deducted at higher of the two rates provided in Section 206AB and Section 206AA of the Income Tax Act, 1961.

The "specified person" means a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of Section 139 of the Income Tax Act, 1961 has expired and the aggregate of tax deducted at source and tax collected at source in his case is ₹ 50,000 or more in the said previous year.

The specified person shall not include:

(i) a non-resident who does not have a permanent establishment in India; or

(ii) a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

All the above referred tax rates will be enhanced by the applicable surcharge and cess, wherever applicable.

To enable us to determine the appropriate TDS/withholding tax rate applicable, the aforementioned documents are required to be uploaded with the Share Transfer Agent viz. KFin Technologies Limited at https://ris.kfintech.com/form15 or e-mail to einward.ris@kfintech.com on or before 27th July, 2023.

No communication on the tax determination/deduction shall be entertained after 27th July, 2023.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents on time, you would still have an option of claiming refund of the higher tax paid at the time of filing your income tax return. No claim shall lie against the Company for such tax deducted.

We will arrange to e-mail the soft copy of TDS Certificate, if any, to your registered e-mail ID in due course, post payment of dividend.

10. Members holding shares in dematerialised form may please note that their bank account details as furnished by the respective depositories to the Company will be considered for payment/remittance of dividend. The Company or its Share Transfer Agent will neither entertain nor act on any direct request from such members for change/deletion in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend to be paid on shares held in dematerialised form. Members may therefore, give instructions regarding bank account details in which they wish to receive dividend to the Depository Participants. Members holding shares in physical form are requested to inform any change in their address or bank mandates to the Company/Share Transfer Agent. In the event the Company is unable to pay dividend to certain members directly in their bank account through Electronic Clearing Service (ECS) or any other means due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Dividend Warrant/Bankers Cheque/Demand Draft to such Members.

11. Members may kindly note that the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 ("Circular") has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination. The Circular is effective from 1st April, 2023 in supersession of earlier SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021. As per the Circular, holders of physical securities to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers on or before 30th September, 2023 and advised to link PAN with Aadhar number before 30th June, 2023 or any other date as may be specified by the Central Board of Direct Taxes ("CBDT"). The folios wherein any one of the aforesaid document / details are not available on or after 1st October, 2023 or PAN is not linked with Aadhaar number before 30th June, 2023 or any other date as may be specified by the CBDT shall be frozen by the RTA. The securities in the frozen folio shall be

eligible to receive payments (including dividend) and lodge grievances or avail any service request from the RTA only after furnishing the complete documents / details. If the securities continue to remain frozen as on 31st December, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or the Prevention of Money Laundering Act, 2002.

12. In compliance with the above Circular, the Company has already sent the necessary communication to a shareholder holding shares in physical form and the aforesaid Circular and following forms are available on the Company's website at www.yellowdiamond.in and on Share Transfer Agent's website at https://ris.kfintech.com/:

    (i) Form ISR-1 (Register/Change PAN & KYC Details);

    (ii) Form ISR-2 (Confirmation of Signature of securities holder by Bank);

    (iii) Form ISR-3 (Declaration to Opting out Nomination);

    (iv) Form SH-13 (Nomination Form);

    (v) Form SH-14 (Cancellation of Nomination).

    Shareholders holding shares in physical form are requested to use the aforesaid forms for updating their PAN, KYC, Nomination etc.

13. Member may note that as per Regulation 40 of the Listing Regulations, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialised form with a depository. Further, the shares shall be issued in dematerialised form only while processing the request for transmission, transposition, duplicate, renewal/exchange, sub-division/splitting, consolidation of shares certificate etc. as provided in Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 issued by the Securities and Exchange Board of India. In this regard, in compliance with the above Circular, the Form ISR-4 (Request for issue of Duplicate Certificate and other Service Requests) is available on the Company's website at www.yellowdiamond.in and on Share Transfer Agent's website at https://ris.kfintech.com/. In regard to request for transmission of securities by Nominee or legal heir on death of the sole holder of securities, the Form ISR-5 (Request for transmission of securities by Nominee or legal heir) is available on the Company's website at www.yellowdiamond.in and on Share Transfer Agent's website at https://ris.kfintech.com/. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, shareholders are advised to dematerialise the shares held by them in physical form.

14. Non-resident Indian shareholders are requested to inform Share Transfer Agent, immediately of:

    (i) the change in the residential status on return to India for permanent settlement; and

    (ii) the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

15. Members who have so far not encashed their dividend warrants for the dividend for the year(s) ended 31st March, 2018, 31st March, 2019, 31st March, 2020, 31st March, 2021 and 31st March, 2022 are requested to write to the Company or its Share Transfer Agent, viz. KFin Technologies Limited for issuance of demand draft/bankers cheque in lieu of unencashed/unclaimed dividend warrant. The details of such unpaid and unclaimed dividends have been uploaded on the website of the Company at www.yellowdiamond.in.

16. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only by e-mail to the members whose e-mail address are registered with the Company/Depositories. The Notice and Annual Report 2022-23 has been uploaded on the website of the Company at www.yellowdiamond.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The same is also available on the website of CDSL at www.evotingindia.com. However, hard copy of the Annual Report will be sent to members on request. Members, who wish to update or register their e-mail address, in case of demat holding, may please contact their Depository Participant (DP) and register their e-mail address, as per the process advised by their DP and in case of physical holding, may send a request to KFin Technologies Limited, the Share Transfer Agent of the Company at einward.ris@kfintech.com.

17. Members seeking any information or clarification regarding the financial statements or any matter to be placed at the AGM are requested to write to the Company, on or before 27th July, 2023 through e-mail on complianceofficer@yellowdiamond.in.

18. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. The Company has connectivity from NSDL and CDSL and equity shares of the Company may be held in dematerialised form with any Depository Participant (DP) with whom the members/investors are having their demat account. The ISIN for the equity shares of the Company is INE393P01035. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent of the Company.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company or to the Share Transfer Agent at einward.ris@kfintech.com.

20. Information pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) in respect of the Director seeking re-appointment at the AGM is furnished in Annexure–I, which is annexed to the Notice and forms part of the Notice. The Director has furnished the requisite consent/ declaration for his re-appointment.

21. KFin Technologies Limited, Selenium Building, Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, India is the Share Transfer Agent for physical shares of the Company. KFin Technologies Limited is also the depository interface of the Company with both NSDL and CDSL. Members are requested to address all correspondences to the said Share Transfer Agent or write e-mail at their e-mail address at einward.ris@kfintech.com. The website of the Share Transfer Agent is https://www.kfintech.com/.

22. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and in compliance with MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. In addition, the facility of voting through e-voting system shall also be made available during the AGM for members of the Company participating in the AGM through VC/OAVM and who have not cast their vote by remote e-voting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM in case of a member participating in the AGM through VC/ OAVM will be provided by CDSL.

23. **Instructions for remote e-voting, e-voting and joining the virtual AGM are as follows:**

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING THE VIRTUAL MEETING ARE AS UNDER:

1. The voting period begins on Sunday, 30th July, 2023 at 9:00 a.m. and ends on Wednesday, 2nd August, 2023 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. 27th July, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.

3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

   Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

   In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

4. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI Circular, Login method for e-Voting and joining virtual meeting **for individual shareholders holding securities in Demat mode with CDSL/NSDL** is as under:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasinew/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration or https://web.cdslindia.com/myeasinew/Registration/EasiestRegistration as the case may be or visit www.cdslindia.com and click on Login icon and select New System Myeasi and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at above mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at esvoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

5. Login method for e-Voting and joining virtual Meeting for **Physical shareholders and shareholder other than individual holding shares in Demat form**:

    (i) The shareholders should log on to the e-voting website www.evotingindia.com.

    (ii) Click on "Shareholders" module

    (iii) Now enter your User ID

    a. For CDSL: 16 digits beneficiary ID

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID

    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

    (iv) Next enter the Image Verification as displayed and Click on Login.

    (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

    (vi) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for PRATAAP SNACKS LIMITED on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) There is also an optional provision to upload BR/POA, if any, which will be made available to Scrutinizer for verification.

(xviii) **Additional Facility for Non-Individual Shareholders and Custodians - For Remote Voting only**.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
- It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer at csriteshgupta@gmail.com and to the Company at complianceofficer@yellowdiamond.in, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

The procedure for remote e-voting is same as the instructions mentioned above for e-voting.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending Meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend Meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at complianceofficer@yellowdiamond.in. The shareholders who do not wish to speak during the Meeting but have queries may send their queries in advance **7 days prior to Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at complianceofficer@yellowdiamond.in. The queries will be replied to by the Company suitably by e-mail.
8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to einward.ris@kfintech.com.

2. For Demat shareholders - Please update your e-mail id and mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your e-mail id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual Meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

24. The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date, i.e. 27th July, 2023.

25. The Company has appointed Mr. Ritesh Gupta (CP No. 3764), Proprietor of M/s. Ritesh Gupta & Co., Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process and e-voting system at the AGM in a fair and transparent manner.

26. The Scrutinizer shall after the conclusion of e-voting at the Meeting, first count the votes cast at the Meeting through e-voting system, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, within two days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

27. The result shall be declared on or after the date of the Meeting of the Company and shall be deemed to be passed on the date of the Meeting. The result declared, alongwith the Report of the Scrutinizer shall be placed on the website of the Company i.e. www.yellowdiamond.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing in that behalf. The result shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

ANNEXURE – I

Brief Profile and other details of Mr. Arvind Mehta (DIN: 00215183) as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) seeking re-appointment at the Annual General Meeting:

Name of Director	**Mr. Arvind Mehta**
DIN	00215183
Date of Birth	31st August, 1967
Age	55 years
Nationality	Indian
Date of first appointment on the Board	12th May, 2011
Qualifications & Experience (including nature of expertise in specific functional areas)/Brief resume	Mr. Arvind Mehta holds a bachelor's degree in commerce from Devi Ahilya Vishwavidyalaya, Indore. He has over 34 years of experience in real estate business along with over 20 years in the snacks food industry and financing business.
Number of shares held in the Company, including shares held as a beneficial owner	5,75,784 equity shares
Directorships held in other companies (including listed companies)	a) Prakash Snacks Private Limited b) Orange Infracon Private Limited
Chairman/Member of the Committees of the Board of Company(s) in which he is a Director	**Member:** Prataap Snacks Limited: a) Stakeholders Relationship Committee b) Corporate Social Responsibility Committee c) Nomination and Remuneration Committee
Listed companies from where he has resigned in the past three years	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Number of meetings of Board of Directors attended during the year ended 31st March, 2023	3
Terms and conditions of re-appointment	Re-appointment as a Director, liable to retire by rotation.
Remuneration last drawn by him, if applicable and remuneration sought to be paid	Last Remuneration drawn: ₹ 90 lakhs.

By Order of the Board of Directors
For **Prataap Snacks Limited**

Om Prakash Pandey
Company Secretary and Compliance Officer

Registered Office:
Khasra No. 378/2, Nemawar Road,
Near Makrand House, Palda,
Indore - 452020, Madhya Pradesh, India

Place: Indore
Date: 26th May, 2023

NOTES

PRATAAP SNACKS LIMITED

Khasra No. 378/2, Nemawar Road, Near Makrand House,
Palda, Indore – 452020, Madhya Pradesh, India
Tel. +91 731 2439999 | Email: complianceofficer@yellowdiamond.in

www.yellowdiamond.in