

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Avadh Snacks Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Avadh Snacks Private Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, 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 2022, 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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 board report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether 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/loss 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.

Other Matter

The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on 28 May 2021.

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 22 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company does not have any pending litigations which would impact its financial position.
- 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 41 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 41 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

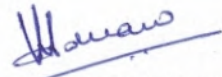
(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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

UDIN: 22091765AJHNQI3471

Place: Indore

Date: 20 May 2022

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

(Referred to in 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.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (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 disclosed in the standalone financial statements are held in the name of the Company.
- (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 or intangible assets or both during the year.
- (e) According to 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, has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of delivery 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.
- (iii) 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 loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of 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 Companies Act, 2013 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 Goods and Services Tax.

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 Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income Tax, Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. 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 Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

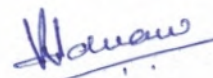
- (b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (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.
- (ix) (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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (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 Companies Act, 2013.
- (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 Companies Act, 2013.
- (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 Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per Companies Act, 2013 or SEBI LODR Regulations.
- (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 Companies Act, 2013, where applicable, and 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 Companies Act, 2013 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 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) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. 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
UDIN : 22091765AJHNQI3471

Place: Indore
Date: 20 May 2022

Annexure B to the Independent Auditor's report on the standalone financial statements of Avadh Snacks Private Limited for the period ended 31 March 2022

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 Companies Act, 2013

(Referred to in paragraph 2A(f) 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 Avadh Snacks Private Limited ("the Company") as of 31 March 2022 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 2022, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "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 whether 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 such internal financial controls, 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

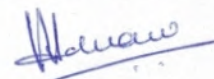
Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022



Vikram Advani

Partner

Membership No. 091765

UDIN : 22091765AJHNQI3471

Place: Indore

Date: 20 May 2022

Avadh Snacks Private Limited
Standalone Balance Sheet

| | Notes | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|---|-------|-------------------------------------|-------------------------------------|
| I ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| (a) Property, plant and equipments | 3 | 2,515.07 | 2,664.24 |
| (b) Capital work-in-progress | 3 | 6.45 | 8.65 |
| (c) Intangible assets | 4 | 12.04 | 14.89 |
| (d) Financial assets | | | |
| (i) Investments | 5 | 200.00 | 200.00 |
| (ii) Other non-current financial assets | 6 | 16.39 | 10.81 |
| (e) Tax assets (net) | 7 | 39.64 | 36.60 |
| (f) Other non-current assets | 8 | 4.03 | - |
| TOTAL NON-CURRENT ASSETS | | 2,793.62 | 2,935.19 |
| CURRENT ASSETS | | | |
| (a) Inventories | 9 | 1,117.61 | 1,001.87 |
| (b) Financial assets | | | |
| (i) Trade receivables | 10 | 109.78 | 135.35 |
| (ii) Cash and cash equivalents | 11 | 184.96 | 130.79 |
| (iii) Bank balance (other than (ii) above) | 12 | 659.39 | 306.22 |
| (c) Other current assets | 13 | 34.50 | 68.45 |
| TOTAL CURRENT ASSETS | | 2,106.24 | 1,642.68 |
| TOTAL ASSETS | | 4,899.86 | 4,577.87 |
| II EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 14 | 71.09 | 71.09 |
| (b) Other equity | 15 | 3,801.27 | 3,643.59 |
| TOTAL EQUITY | | 3,872.36 | 3,714.68 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES: | | | |
| (a) Provisions | 16 | 48.98 | 34.77 |
| (b) Deferred tax liabilities (net) | 17 | 47.16 | 34.48 |
| TOTAL NON-CURRENT LIABILITIES | | 96.14 | 69.25 |
| CURRENT LIABILITIES: | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 18 | - | - |
| Total outstanding dues of trade payables other than micro and small enterprises | 18 | 632.91 | 573.42 |
| (ii) Other current financial liabilities | 19 | 81.35 | 60.58 |
| (b) Provisions | 16 | 1.48 | 0.08 |
| (c) Tax liabilities (net) | 21 | 6.01 | - |
| (d) Other current liabilities | 20 | 209.61 | 159.86 |
| TOTAL CURRENT LIABILITIES | | 931.36 | 793.94 |
| TOTAL LIABILITIES | | 1,027.50 | 863.19 |
| TOTAL EQUITY AND LIABILITIES | | 4,899.86 | 4,577.87 |

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: 22091765AJHNQI3471

Place: Indore

Date: 20 May 2022

**For and on behalf of the Board of Directors of
Avadh Snacks Private Limited**


Rajeshbhai Mansukhbhai Savar

Director

DIN - 07357631


Neel Rasikbhai Jagani

Director

DIN - 07357621

Place: Rajkot

Date: 20 May 2022



Avadh Snacks Private Limited
Standalone Statement of Profit and Loss

| | Notes | Year ended 31 March 2022 INR lakhs | Year ended 31 March 2021 INR lakhs |
|--|-------|--|--|
| I Revenue from operations | 22 | 18,382.59 | 17,005.85 |
| II Other income | 23 | 21.16 | 39.35 |
| III TOTAL INCOME (I + II) | | 18,403.75 | 17,045.20 |
| IV EXPENSES | | | |
| (a) Cost of materials consumed | 24 | 14,568.09 | 14,042.08 |
| (b) Purchases of stock-in-trade | | 1,129.92 | 804.55 |
| (c) Changes in inventories of finished goods and stock-in-trade | 25 | (52.34) | (92.82) |
| (d) Employee benefits expense | 26 | 670.91 | 628.49 |
| (e) Finance costs | 27 | 2.41 | 0.14 |
| (f) Depreciation and amortisation expense | 28 | 258.64 | 215.85 |
| (g) Other expenses | 29 | 1,624.19 | 1,278.11 |
| TOTAL EXPENSES | | 18,201.82 | 16,876.40 |
| V Profit before tax (III - IV) | | 201.93 | 168.80 |
| VI Tax expenses | | | |
| (a) Current tax | 17 | 41.21 | 8.23 |
| (b) Deferred tax | 17 | 10.26 | 34.69 |
| Total tax expenses | | 51.47 | 42.92 |
| VII Profit after tax for the year (V - VI) | | 150.46 | 125.88 |
| VIII Other comprehensive income/(loss) | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Re-measurement gain on defined benefit plan | 29 | 9.65 | 20.60 |
| (b) Income tax relating to above | 18 | (2.43) | (5.18) |
| Total other comprehensive income (net of tax) | | 7.22 | 15.42 |
| IX Total comprehensive income (VII + VIII) | | 157.68 | 141.30 |
| X Earnings per equity share: | | | |
| [Equity shares of face value of INR 10 (31 March 2021: INR 10) each] | | | |
| (a) Basic | 30 | 21.16 | 17.71 |
| (b) Diluted | 30 | 21.16 | 17.71 |

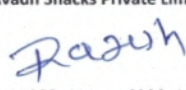
The accompanying notes are an integral part of the standalone financial statements

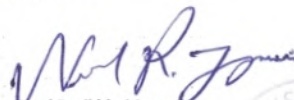
As per our report of even date

For B S R & CO. LLP
ICAI Firm registration number: 101248W/W-100022
Chartered Accountants

Vikram Advani
Partner
Membership No.: 091765
UDIN: 22091765AJHNQ13471

**For and on behalf of the Board of Directors of
Avadh Snacks Private Limited**


Rajeshbhai Mansukhbhai Savani
Director
DIN - 07357631


Weel Rasikbhai Jagani
Director
DIN - 07357621



Place: Indore
Date: 20 May 2022

Place: Rajkot
Date: 20 May 2022

Avadh Snacks Private Limited
Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL:

| | No. in lakhs | INR lakhs |
|--|--------------|-----------|
| Issued, subscribed and fully paid up capital | | |
| As at 1 April 2020 | 7.52 | 71.09 |
| Change in the equity share capital during the year | - | - |
| As at 31 March 2021 | 7.52 | 71.09 |
| Change in the equity share capital during the year | - | - |
| As at 31 March 2022 | 7.52 | 71.09 |

B. OTHER EQUITY:

| | Securities premium | Retained earnings | Total other equity |
|---|--------------------|-------------------|--------------------|
| | INR lakhs | INR lakhs | INR lakhs |
| As at 1 April 2020 | 2,633.91 | 868.38 | 3,502.29 |
| Profit for the year | - | 125.88 | 125.88 |
| Other comprehensive income | | | |
| - Re-measurement gain on defined benefit plan | - | 15.42 | 15.42 |
| Total comprehensive income | - | 141.30 | 141.30 |
| As at 31 March 2021 | 2,633.91 | 1,009.68 | 3,643.59 |

| | Securities premium | Retained earnings | Total other equity |
|---|--------------------|-------------------|--------------------|
| | INR lakhs | INR lakhs | INR lakhs |
| As at 1 April 2021 | 2,633.91 | 1,009.68 | 3,643.59 |
| Profit for the year | - | 150.46 | 150.46 |
| Other comprehensive income | | | |
| - Re-measurement gain on defined benefit plan | - | 7.22 | 7.22 |
| Total comprehensive income | - | 157.68 | 157.68 |
| As at 31 March 2022 | 2,633.91 | 1,167.36 | 3,801.27 |

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: 22091765AJHNQJ3471

For and on behalf of the Board of Directors of
Avadh Snacks Private Limited


Rajeshbhai Mansukhbhai Savani
Director
DIN - 07357631


Neel Rasikbhai Jagani
Director
DIN - 07357621



Place: Indore
Date: 20 May 2022

Place: Rajkot
Date: 20 May 2022

Avadh Snacks Private Limited
Standalone Statement of Cash Flows

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 201.93 | 168.80 |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Add / (Less) : | | |
| Depreciation and amortisation expense | 258.64 | 215.85 |
| (Profit)/Loss on sale of property, plant and equipments | (1.66) | 1.73 |
| Allowance for credit losses | 14.06 | - |
| Interest income | (21.16) | (39.35) |
| Operating profit before working capital changes | 451.81 | 347.03 |
| Working capital adjustments: | | |
| Decrease / (increase) in inventories | (115.74) | (342.02) |
| Decrease / (increase) in trade receivables | 11.51 | (29.54) |
| Decrease / (increase) in other financial assets | (5.58) | 5.38 |
| Decrease / (increase) in other assets | 29.92 | (13.13) |
| Increase/ (decrease) in trade payables | 59.50 | 190.50 |
| Increase / (decrease) in other financial liabilities | 13.82 | (70.78) |
| Increase / (decrease) in provisions | 25.26 | 23.03 |
| Increase / (decrease) in other liabilities | 49.75 | 53.78 |
| | 520.25 | 164.25 |
| Income tax paid (net of refund received) | (38.26) | (66.49) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 481.99 | 97.76 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments including capital work-in-progress and capital advances | (112.74) | (559.39) |
| Proceeds from sale of property, plant and equipments | 16.93 | 2.54 |
| Purchase of intangibles | - | (14.16) |
| Investment in fixed deposits with banks not considered as cash and cash equivalents | (950.00) | - |
| Receipt of loan from subsidiary company | - | 100.00 |
| Redemption / maturity of fixed deposits with banks not considered as cash and cash equivalents | 599.85 | 163.95 |
| Interest received | 18.14 | 51.94 |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | (427.82) | (255.12) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 54.17 | (157.36) |
| Cash and cash equivalents at the beginning of the year | 130.79 | 288.15 |
| Cash and cash equivalents at the end of the year (refer Note 11) | 184.96 | 130.79 |

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: 22091765AJHNQI3471

Place: Indore

Date: 20 May 2022

For and on behalf of the Board of Directors of
Avadh Snacks Private Limited

Rajeshbhai Mansukhbhai Savani

Director

DIN - 07357631

Place: Rajkot

Date: 20 May 2022

Neel Rasikbhai Jagani

Director

DIN - 07357621



Avadh Snacks Private Limited
Notes to the Standalone Financial Statements

Note 1: Corporate Information

Avadh Snacks Private Limited ('ASPL' or 'the Company') is a Private Company domiciled in India having CIN U15132G/2017PTC098837 and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Company is located at Survey No. 128, Plot No. 1, Opp. Super Tech Industries, Nivava - 361162, India. The Company is primarily engaged in the business of snacks food.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 May 2022.

Note 2.1: Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of Companies Act, 2013 ('the Act') and other relevant provisions of the act.

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),
- Net defined benefit liability (refer accounting policy regarding employee benefit)

The standalone financial statements are presented in India Rupee ('INR') which is also the Company's functional currency. All amounts have been rounded to the nearest lakhs (INR 00,000), except when otherwise indicated

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.

B) Significant accounting judgements, estimates and assumptions

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 assumptions

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 plant and equipments and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. Refer Note 2.2 (E) and (F) for management estimate of useful lives.



Avadh Snacks Private Limited
Notes to the Standalone Financial Statements

Note 2.2: Summary of significant accounting policies (Cont'd.)

(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.

C) Revenue from operations

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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 right 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. A refund liability included in other current financial liabilities is recognised for expected discounts and rebates payable to customers in relation to sales made until the end of the reporting period. 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 (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

D) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as 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 recognised as other operating revenue in equal amounts over the expected useful life of the related assets.



Note 2.2: Summary of significant accounting policies (Cont'd.)

E) Property, plant and equipments

Property, plant and equipments 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 equipments and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipments 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 equipments 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 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 equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life and the same is supported by technical advice:

| Property, plant and equipments | Useful lives |
|--------------------------------|--------------|
| Factory buildings | 30 years |
| Plant and equipments | 15 years |
| Furniture and fixtures | 10 years |
| Computers | 3 years |
| Office equipments | 3 years |
| Vehicles | 8 years |

F) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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

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

| Intangible assets | Useful lives |
|-------------------|--------------|
| Computer software | 5 years |

G) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



Note 2.2: Summary of significant accounting policies (Cont'd.)

H) 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. Cost is determined on absorption costing basis at actual.

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.

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. 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 interest rates of government bonds. 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.



Note 2.2: Summary of significant accounting policies (Cont'd.)

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.

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 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.

M) 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.



Note 2.2: Summary of significant accounting policies (Cont'd.)

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

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.

N) 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 instruments.

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, Fair value through other comprehensive income ('FVOCI') or Fair value through profit and loss ('FVTPL').

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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 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.



Note 2.2: Summary of significant accounting policies (Cont'd.)

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) Lease receivables under Ind AS 116
- d) 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
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

ECL 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.

O) Investment in subsidiary

Investment in subsidiary is measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'.

Impairment of investments:

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.



Note 2.2: Summary of significant accounting policies (Cont'd.)

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 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 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.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

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.



Avadh Snacks Private Limited
Notes to the Standalone Financial Statements

Note 3: Property, plant and equipments

| | Owned assets | | | | | | | | Total |
|---|---------------|-------------------|----------------------|------------------------|-------------------|-----------|-----------|--------------------------|-----------|
| | Freehold land | Factory buildings | Plant and equipments | Furniture and fixtures | Office equipments | Computers | Vehicles | Capital work-in-progress | |
| | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| I Gross carrying amount | | | | | | | | | |
| As at 1 April 2020 | 31.08 | 90.23 | 807.06 | 1.47 | 4.41 | 3.22 | 578.74 | 1,247.18 | 2,763.39 |
| Additions | - | 414.86 | 1,045.11 | 15.87 | 5.09 | 1.35 | 315.63 | 135.17 | 1,933.09 |
| Disposals | - | - | 6.96 | - | - | - | - | - | 6.96 |
| Transfer/capitalised | - | - | - | - | - | - | - | 1,373.70 | 1,373.70 |
| As at 31 March 2021 | 31.08 | 505.09 | 1,845.21 | 17.34 | 9.50 | 4.57 | 894.37 | 8.65 | 3,315.81 |
| Additions | - | 41.06 | 77.39 | 0.71 | 1.25 | 1.48 | - | 72.70 | 194.59 |
| Disposals | - | - | - | - | - | - | 17.40 | - | 17.40 |
| Transfer/capitalised | - | - | - | - | - | - | - | 74.90 | 74.90 |
| As at 31 March 2022 | 31.08 | 546.15 | 1,922.60 | 18.05 | 10.75 | 6.05 | 876.97 | 6.45 | 3,418.10 |
| II Accumulated depreciation and impairment losses | | | | | | | | | |
| As at 1 April 2020 | - | 9.84 | 218.40 | 0.23 | 4.36 | 1.63 | 195.73 | - | 430.19 |
| Depreciation charge for the year | - | 13.56 | 112.93 | 0.68 | 0.54 | 1.00 | 86.71 | - | 215.42 |
| Disposals | - | - | 2.69 | - | - | - | - | - | 2.69 |
| As at 31 March 2021 | - | 23.40 | 328.64 | 0.91 | 4.90 | 2.63 | 282.44 | - | 642.92 |
| Depreciation charge for the year | - | 17.30 | 120.21 | 1.74 | 2.14 | 1.20 | 113.20 | - | 255.79 |
| Disposals | - | - | - | - | - | - | 2.13 | - | 2.13 |
| As at 31 March 2022 | - | 40.70 | 448.85 | 2.65 | 7.04 | 3.83 | 393.51 | - | 896.58 |
| III Net carrying amount | | | | | | | | | |
| As at 31 March 2022 | 31.08 | 505.45 | 1,473.75 | 15.40 | 3.71 | 2.22 | 483.46 | 6.45 | 2,521.52 |
| As at 31 March 2021 | 31.08 | 481.69 | 1,516.57 | 16.43 | 4.60 | 1.94 | 611.93 | 8.65 | 2,672.89 |

IV Net carrying amount

(i) Property, plant and equipments
Owned assets

| As at 31 March 2022 | As at 31 March 2021 |
|------------------------|------------------------|
| INR lakhs | INR lakhs |
| 2,515.07 | 2,664.24 |
| 2,515.07 | 2,664.24 |

(ii) Capital work-in-progress

6.45 8.65

Note a: Capital work in progress Ageing Schedule

| | Amount in Capital work-in-progress for a period of | | | | Total |
|--------------------------------|--|-----------|-----------|-------------------|-----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| As at 31 March 2022 | | | | | |
| Projects in progress | 6.45 | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| | 6.45 | - | - | - | - |
| As at 31 March 2021 | | | | | |
| Projects in progress | - | 8.65 | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| | - | 8.65 | - | - | - |

There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.



Avadh Snacks Private Limited
Notes to the Standalone Financial Statements

Note 4: Intangible assets

| | Computer software | Total |
|--|----------------------------|----------------------------|
| | INR lakhs | INR lakhs |
| I Gross carrying amount | | |
| As at 1 April 2020 | 1.58 | 1.58 |
| Additions | 14.16 | 14.16 |
| Disposals | - | - |
| As at 31 March 2021 | 15.74 | 15.74 |
| Additions | - | - |
| As at 31 March 2022 | 15.74 | 15.74 |
| II Accumulated amortisation and impairment losses | | |
| As at 1 April 2020 | 0.42 | 0.42 |
| Amortisation charge for the year | 0.43 | 0.43 |
| As at 31 March 2021 | 0.85 | 0.85 |
| Amortisation charge for the year | 2.85 | 2.85 |
| As at 31 March 2022 | 3.70 | 3.70 |
| III Net carrying amount | | |
| As at 31 March 2022 | 12.04 | 12.04 |
| As at 31 March 2021 | 14.89 | 14.89 |
| IV Net carrying amount | | |
| | As at 31 March 2022 | As at 31 March 2021 |
| | INR lakhs | INR lakhs |
| Intangible assets | 12.04 | 14.89 |



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Notes to the Standalone Financial Statements

Note 5: Financial assets - non-current investments

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|---|-------------------------------------|-------------------------------------|
| Measured at cost | | |
| Investment in subsidiary (Unquoted) | | |
| 7.50 lakhs (31 March 2021: 7.50 lakhs) equity shares of INR 10 each fully paid-up | 200.00 | 200.00 |
| | 200.00 | 200.00 |

Note 6: Other non-current financial assets
(At amortised cost)

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|-------------------|-------------------------------------|-------------------------------------|
| Security deposits | 16.39 | 10.81 |
| | 16.39 | 10.81 |

Note 7: Other tax assets (net)

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|---|-------------------------------------|-------------------------------------|
| Advance income-tax (Net of provision for taxation: (31 March 2021: 8.23 lakhs)) | 39.64 | 36.60 |
| | 39.64 | 36.60 |

Note 8: Other non-current assets

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|------------------|----------------------------------|----------------------------------|
| Prepaid expenses | 4.03 | - |
| | 4.03 | - |

Note 9: Inventories

(At cost or net realisable value, whichever is lower)

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|---|-------------------------------------|-------------------------------------|
| Raw materials | 207.57 | 227.74 |
| Packing materials | 623.42 | 567.82 |
| Finished goods [including stock-in-transit : INR 33.91 Lakhs (As at 31st March 2021 : INR Nil Lakhs)] | 217.97 | 184.40 |
| Traded goods [including stock-in-transit : INR 1.69 Lakhs (As at 31st March 2021 : INR Nil Lakhs)] | 38.98 | 20.21 |
| Stores, spares and other consumables | 29.67 | 1.70 |
| | 1,117.61 | 1,001.87 |

Note:

During the year an amount of INR 5.35 lakhs (net) [31 March 2021: INR Nil lakhs (net)] was charged to statement of profit and loss on account on account of write down of inventories.



Avadh Snacks Private Limited
Notes to the Standalone Financial Statements

Note 10: Trade receivables

(At amortised cost)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Considered good - Unsecured | 112.39 | 135.35 |
| Credit impaired | 17.41 | 5.95 |
| Less: Allowance for credit losses (Refer Note 38) | (20.02) | (5.95) |
| | 109.78 | 135.35 |

Notes:

1. For terms and conditions relating to related party receivables, Refer Note 32.
2. For Trade Receivable Ageing Schedule, Refer Note 38.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

Note 11: Cash and cash equivalents

(At amortised cost)

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------------|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Balances with banks: | | |
| In current accounts | 182.37 | 128.45 |
| Cash on hand | 2.59 | 2.34 |
| | 184.96 | 130.79 |

Note 12: Bank balance other than cash and cash equivalents

(At amortised cost)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Deposits with maturity of less than twelve months | 659.39 | 306.22 |
| | 659.39 | 306.22 |

Note 13: Other current assets

(Unsecured considered good unless otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Advances to vendors | 2.83 | 25.06 |
| Prepaid expenses | 25.19 | 43.39 |
| Balances with government authorities | 6.48 | - |
| | 34.50 | 68.45 |



Note 14: Share capital

(a) Authorised share capital

| | Equity shares | |
|--|---------------|-----------|
| | No. in lakhs | INR lakhs |
| Equity Shares of INR 10 each | | |
| As at 1 April 2020 | 100.00 | 1,000.00 |
| Change in authorised share capital during the year | - | - |
| As at 31 March 2021 | 100.00 | 1,000.00 |
| Change in authorised share capital during the year | - | - |
| As at 31 March 2022 | 100.00 | 1,000.00 |

(b) Issued, subscribed and paid-up equity share capital

| | No. in lakhs | INR lakhs |
|---|--------------|--------------|
| Equity share capital of INR 10 each, fully paid up | 6.50 | 65.00 |
| Equity share capital of INR 10 each, INR 6 partly paid up | 1.02 | 6.09 |
| | 7.52 | 71.09 |

(c) Terms and rights attached to equity shares

The Company has one class of equity shares having par value of INR 10 (31 March 2020: INR 10) 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 of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| | As at 31 March 2022 | | As at 31 March 2021 | |
|------------------------|---------------------|-----------|---------------------|-----------|
| | No. in lakhs | % holding | No. in lakhs | % holding |
| Equity shares | | | | |
| Prataap Snacks Limited | 6.80 | 90.48% | 6.80 | 90.48% |

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.

(d) Details of shares held by promoters in the Company

| | As at 31 March 2022 | | As at 31 March 2021 | |
|-------------------------------|---------------------|-----------|---------------------|-----------|
| | No. in lakhs | % holding | No. in lakhs | % holding |
| Equity shares | | | | |
| Rajeshbhai Mansukhbhai Savani | 0.25 | 3.28% | 0.25 | 3.28% |
| Neel Rasikbhai Jagani | 0.09 | 1.21% | 0.09 | 1.21% |
| Dilipbhai Vithalbhai Lalani | 0.07 | 0.93% | 0.07 | 0.93% |
| Sanku Rajeshbhai Savani | 0.18 | 2.43% | 0.18 | 2.43% |
| Jashkumar Dilipkumar Lalani | 0.07 | 0.97% | 0.07 | 0.97% |
| Purvi Neelbhai Jagani | 0.05 | 0.70% | 0.05 | 0.70% |

Note 15: Other equity

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Securities premium | 2,633.91 | 2,633.91 |
| Retained earnings | 1,167.36 | 1,009.68 |
| | 3,801.27 | 3,643.59 |
| Securities premium | | |
| | | INR lakhs |
| As at 1 April 2020 | | 2,633.91 |
| As at 31 March 2021 | | 2,633.91 |
| As at 31 March 2022 | | 2,633.91 |

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 Act.

Retained earnings

| | INR lakhs |
|---------------------------------|-----------------|
| As at 1 April 2020 | 868.38 |
| Add: Profit for the year | 125.88 |
| Add: Other comprehensive income | 15.42 |
| As at 31 March 2021 | 1,009.68 |
| Add: Profit for the year | 150.46 |
| Add: Other comprehensive income | 7.22 |
| As at 31 March 2022 | 1,167.36 |

Retained earnings are the profits of the Company earned till date net of appropriations.



Avadh Snacks Private Limited
Notes to the Standalone Financial Statements

Note 16: Provisions

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Non-current provisions | | |
| Provision for employee benefits: | | |
| Gratuity (Refer Note 31) | 48.98 | 34.77 |
| | 48.98 | 34.77 |
| Current provisions | | |
| Provision for employee benefits: | | |
| Gratuity (Refer Note 31) | 1.48 | 0.08 |
| | 1.48 | 0.08 |



Note 17: Deferred tax assets / liabilities

| | Year Ended 31 March 2022 | | Year Ended 31 March 2021 | |
|--|-----------------------------|--|---|------------------------|
| | INR lakhs | | INR lakhs | |
| (a) Tax expense recognised in the statement of profit and loss | | | | |
| Current tax | | 41.21 | | 8.23 |
| Deferred tax | | 10.26 | | 34.69 |
| Income tax expense reported in the statement of profit and loss | | 51.47 | | 42.92 |
| (b) Income tax related to items recognised in OCI during the year: | | | | |
| Net gain/(loss) on remeasurements of defined benefit plan | | 2.43 | | 5.18 |
| Income tax expense charged in OCI | | 2.43 | | 5.18 |
| (c) Reconciliation of income tax expense and the accounting profit: | | | | |
| Profit before tax | | 201.93 | | 168.80 |
| Income tax expense calculated at 25.17% (31 March 2021: 25.17%) being the statutory enacted rate | | 50.82 | | 42.92 |
| Effect of: | | | | |
| Tax on other items | | 0.65 | | - |
| Income tax expense recognised in the statement of profit and loss | | 51.47 | | 42.92 |
| (d) The movement in deferred tax assets and liabilities during the year ended 31 March 2022 and 31 March 2021: | | | | |
| | As at 1 April 2021 | Recognised in statement of profit and loss | Recognised in Other comprehensive income | As at 31 March 2022 |
| | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| Deferred tax assets in relation to: | | | | |
| (i) Allowances for credit losses and doubtful receivables | (1.50) | (3.54) | - | (5.04) |
| (ii) Provision for employee benefits | (8.77) | (12.01) | 2.43 | (18.35) |
| Deferred tax liabilities in relation to: | | | | |
| (i) Difference between book base and tax base related to the property, plant and equipments and intangible assets | 44.74 | 25.81 | - | 70.55 |
| Net deferred tax liabilities/ (assets) | 34.48 | 10.26 | 2.43 | 47.16 |
| | As at 1 April 2020 | Recognised in statement of profit and loss | Recognised in Other comprehensive income | As at 31 March 2021 |
| | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| Deferred tax assets in relation to: | | | | |
| (i) Allowances for credit losses and doubtful receivables | (4.53) | 3.02 | - | (1.50) |
| (ii) Provision for employee benefits | (13.15) | (0.80) | 5.18 | (8.77) |
| Deferred tax liabilities in relation to: | | | | |
| (i) Difference between book base and tax base related to the property, plant and equipments and intangible assets | 12.28 | 32.47 | - | 44.75 |
| Net deferred tax liabilities/ (assets) | (5.40) | 34.69 | 5.18 | 34.48 |
| The tax rate used for above deferred tax reconciliation 25.17% and 25.17%, being statutory enacted rates at Balance Sheet date | | | | |
| Disclosure in the balance sheet: | | | | |
| | As at 31 March 2022 | As at 31 March 2021 | | |
| | INR lakhs | INR lakhs | | |
| Deferred tax assets | (23.39) | (10.27) | | |
| Deferred tax liabilities | 70.55 | 44.75 | | |
| Deferred tax liabilities/ (assets) (net) | 47.16 | 34.48 | | |



Avadh Snacks Private Limited
Notes to the Standalone Financial Statements

Note 18: Trade payables
(At amortised cost)

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|---|-------------------------------------|-------------------------------------|
| Total outstanding dues of micro and small enterprises | - | - |
| Total outstanding dues of trade payables other than micro and small enterprises | 632.91 | 573.42 |
| | 632.91 | 573.42 |

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 | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| As at 31 March 2022 | | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | 626.25 | - | - | - | 626.25 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small | - | - | - | - | - | 6.66 | 6.66 |
| | - | - | 626.25 | - | - | 6.66 | 632.91 |
| As at 31 March 2021 | | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | 566.76 | - | - | - | 566.76 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small | - | - | - | - | 6.66 | - | 6.66 |
| | - | - | 566.76 | - | 6.66 | - | 573.42 |

Note 19: Other current financial liabilities
(At amortised cost)

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|-----------------------------|-------------------------------------|-------------------------------------|
| Creditors for capital goods | 7.41 | 0.47 |
| Employee Payable | 73.94 | 60.11 |
| | 81.35 | 60.58 |

Note 20: Other current liabilities

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|---|-------------------------------------|-------------------------------------|
| Contract liabilities (Advance from customers) | 126.23 | 91.17 |
| Statutory dues | 83.38 | 68.69 |
| | 209.61 | 159.86 |

Note 21: Current tax liabilities (net)

| | As at 31 March 2022 INR lakhs | As at 31 March 2021 INR lakhs |
|--|-------------------------------------|-------------------------------------|
| Income tax provision [Net of advance tax: INR 35.20 lakhs] | 6.01 | - |
| | 6.01 | - |



Note 22: Revenue from operations

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|-------------------------|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| Sale of products | | |
| (a) Finished goods | 17,189.00 | 16,225.10 |
| (b) Traded goods | 1,193.59 | 780.75 |
| | 18,382.59 | 17,005.85 |

Note A: Reconciliation of revenue recognised with contract price

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| Contract price | 18,400.34 | 17,064.66 |
| Adjustments for variable consideration: | | |
| Discount and rebates | (17.75) | (58.81) |
| Revenue from contract with customers | 18,382.59 | 17,005.85 |

Note B: Disaggregation of revenue

The Company has a single stream of revenue i.e. sale of products.

Note C: Contract balances

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| (i) Trade receivables (pertaining to contract with customers) | 109.78 | 135.35 |
| (iii) Contract liabilities | | |
| Advance from customers | 126.23 | 91.17 |
| At the beginning of the year | 91.17 | 58.77 |
| Add: Received during the year | 126.23 | 91.17 |
| Less: Recognised as revenue out of amount recognised as contract liabilities as at the beginning of the period | (91.17) | (58.77) |
| At the end of the year | 126.23 | 91.17 |
| Out of above | | |
| Advance from customers | 126.23 | 91.17 |
| | 126.23 | 91.17 |

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised products.

Note 23: Other income

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| Interest income under the effective interest method on: | | |
| Bank deposits | 20.59 | 20.50 |
| Others | 0.57 | 18.85 |
| | 21.16 | 39.35 |

Note 24: Cost of materials consumed

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| Inventory at the beginning of the year | 795.56 | 539.18 |
| Add: Purchases | 14,603.52 | 14,298.46 |
| | 15,399.08 | 14,837.64 |
| Less: Inventory at the end of the year | (830.99) | (795.56) |
| Cost of materials consumed | 14,568.09 | 14,042.08 |



Note 25: Changes in inventories of finished goods and stock-in-trade

| | Year Ended 31 March 2022 INR lakhs | Year Ended 31 March 2021 INR lakhs |
|---|--|--|
| Opening stock: | | |
| Finished goods | 184.40 | 79.18 |
| Traded goods | 20.21 | 32.61 |
| | 204.61 | 111.79 |
| Less: Closing stock: | | |
| Finished goods | 217.97 | 184.40 |
| Traded goods | 38.98 | 20.21 |
| | 256.95 | 204.61 |
| (Increase) / Decrease in inventories of Finished goods and Traded goods | (52.34) | (92.82) |

Note 26: Employee benefits expense

| | Year Ended 31 March 2022 INR lakhs | Year Ended 31 March 2021 INR lakhs |
|---|--|--|
| Salaries, wages and bonus | 570.31 | 565.40 |
| Contribution to provident and other funds (Refer Note 35) | 28.03 | 16.88 |
| Gratuity expense (Refer Note 31) | 23.05 | 23.04 |
| Staff welfare expenses | 49.52 | 23.17 |
| | 670.91 | 628.49 |

Note 27: Finance costs

| | Year Ended 31 March 2022 INR lakhs | Year Ended 31 March 2021 INR lakhs |
|---------------------|--|--|
| Other finance costs | 2.41 | 0.14 |
| | 2.41 | 0.14 |

Note 28: Depreciation and amortisation expense

| | Year Ended 31 March 2022 INR lakhs | Year Ended 31 March 2021 INR lakhs |
|--|--|--|
| Depreciation of property, plant and equipment (refer Note 3) | 255.79 | 215.42 |
| Amortisation of intangible assets (refer Note 4) | 2.85 | 0.43 |
| | 258.64 | 215.85 |



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Note 29: Other expenses

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| Security charges | 3.36 | 3.28 |
| Power and fuel | 116.23 | 86.22 |
| Contract labour charges | 112.88 | 45.30 |
| Freight and forwarding charges | 1,089.97 | 952.05 |
| Insurance charges | 14.32 | 12.88 |
| Repairs and maintenance: | | |
| -Plant and machinery | 28.88 | 52.14 |
| -Others | 11.12 | 9.51 |
| Advertisement and sales promotion | 34.08 | 4.22 |
| Allowance for credit losses and doubtful advances | 14.06 | - |
| Travelling and conveyance | 121.01 | 75.65 |
| Printing and stationery | 1.48 | 2.14 |
| Legal and professional fees | 18.25 | 6.97 |
| Payment to auditor (refer Note A below) | 9.83 | 10.50 |
| Loss/(Profit) on sale / discard of property, plant and equipments | (1.66) | 1.73 |
| Miscellaneous expenses | 50.38 | 15.52 |
| | 1,624.19 | 1,278.11 |

A) Payment to auditor (excluding goods and Service tax):

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---------------------------|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| As auditor: | | |
| Audit fee | 8.60 | 9.50 |
| Tax audit fee | 1.00 | 1.00 |
| In other capacity: | | |
| Reimbursement of expenses | 0.23 | - |
| | 9.83 | 10.50 |

* Amount includes INR 2.00 lakhs paid to erstwhile auditors

Note 30: Earnings per share ('EPS')

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

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

The following reflects the income and share data used in the basic and diluted EPS computations:

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| (a) Profit attributable to equity shareholders | 150.46 | 125.88 |
| (b) Weighted average number of equity shares outstanding for computing basic EPS | 7.11 | 7.11 |
| (c) Weighted average number of equity shares outstanding for computing diluted EPS | 7.11 | 7.11 |
| EPS (in INR) | | |
| Basic (Face value of INR 10 each) | 21.16 | 17.71 |
| Diluted (Face value of INR 10 each) | 21.16 | 17.71 |



Note 31: 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.

The Company has recognised following amounts as expense in the statement of profit and loss :

| | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| Included in contribution to provident and other funds under Employees benefit expenses | | |
| Provident fund | 28.03 | 16.88 |

(b) Defined benefit plans

Gratuity - Non-funded

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets 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 2022 | As at 31 March 2021 |
|-------------|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Current | 1.48 | 0.08 |
| Non-current | 48.98 | 34.77 |
| | 50.46 | 34.85 |

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 2022 | Year Ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| I (a) Expense recognised in the statement of profit and loss | | |
| Current service cost (Refer note 26) | 23.05 | 20.92 |
| Interest cost on benefit obligation(Refer note 27) | 2.21 | 2.12 |
| Components of defined benefit costs recognised in statement of profit and loss | 25.26 | 23.04 |
| (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 | 2.96 | (0.72) |
| Actuarial (gain) / loss due to experience adjustments | 6.69 | 21.32 |
| Actuarial gain/(loss) recognised in other comprehensive income | 9.65 | 20.60 |
| 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 | 34.85 | 32.42 |
| 2. Interest cost | 2.21 | 2.12 |
| 3. Current service cost | 23.05 | 20.92 |
| 4. Actuarial gain / (loss) on obligation | 9.65 | (20.60) |
| 5. Present value of defined benefit obligation at the end of the year | 50.46 | 34.85 |

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 devised for the plan.



Note 31: Employee benefits (cont'd.)

The principal assumptions used in determining gratuity liability for the Company are shown below:

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------|---|---|
| Discount rate (%) | 6.95% | 6.35% |
| 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 2022 | As at 31 March 2021 |
| | INR lakhs | INR lakhs |
| Impact on defined benefit obligation | | |
| Impact of 0.50% increase in rate | (2.26) | (1.75) |
| Impact of 0.50% decrease in rate | 2.45 | 1.91 |

| | Future salary increases | |
|---|-------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| | INR lakhs | INR lakhs |
| Impact on defined benefit obligation | | |
| Impact of 0.50% increase in rate | 2.19 | 1.69 |
| Impact of 0.50% decrease in rate | (2.11) | (1.64) |

| | Withdrawal Rate | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| | INR lakhs | INR lakhs |
| Impact on defined benefit obligation | | |
| Impact of 10% increase in rate | (0.91) | (1.07) |
| Impact of 10% decrease in rate | 0.90 | 1.10 |

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 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Within the next 12 months (next annual reporting period) | 1.48 | 0.08 |
| Between 2 and 5 years | 18.17 | 11.21 |
| Beyond 5 years | 23.37 | 26.63 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.76 years (31 March 2021: 8.91 years)



Note 32: Related party transactions

I) Names of related parties and related party relationship

(a) Holding Company Prataap Snacks Limited

(b) Related Parties where control exists:

Subsidiary Red Rotopack Private Limited

(c) Other related parties with whom transactions have taken place during the year:

Key management personnel Mr. Rajeshbhai Mansukhbhai Savani, Director
Mr. Neel Rasikbhai Jagani, Director

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 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| a. Interest income | | |
| Subsidiary | - | 4.26 |
| | - | 4.26 |
| b. Sales of goods | | |
| Holding Company | 10.71 | 131.26 |
| | 10.71 | 131.26 |
| c. Sales of raw material | | |
| Holding Company | 4.79 | - |
| | 4.79 | - |
| d. Purchase of goods | | |
| Subsidiary | 1.05 | - |
| Holding Company | 1,033.96 | 816.34 |
| | 1,035.01 | 816.34 |
| e. Purchase of raw material | | |
| Holding Company | 48.21 | - |
| | 48.21 | - |
| f. Purchase of packing material | | |
| Holding Company | 12.10 | - |
| | 12.10 | - |
| g. Remuneration - short term employee benefits | | |
| Key managerial personnel* | 6.00 | 5.50 |
| | 6.00 | 5.50 |
| * 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. | | |
| h. Loan repaid | | |
| Subsidiary* | - | 116.85 |
| | - | 116.85 |
| i. Services provided | | |
| Holding Company | 46.12 | - |
| | 46.12 | - |
| j. Closing balances | | |
| Trade receivables | | |
| Holding Company | 19.27 | 3.68 |
| | 19.27 | 3.68 |
| Trade payable | | |
| Holding Company | 42.54 | 26.45 |
| | 42.54 | 26.45 |

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 routinely enters into transactions in the ordinary course of business.



Note 33: 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 2022 | Year Ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| | INR lakhs | INR lakhs |
| Revenue from sale of goods to external customers | | |
| Finished goods | 17,189.00 | 16,225.10 |
| Traded goods | 1,193.59 | 780.75 |
| | 18,382.59 | 17,005.85 |

B] Information about geographical area

The Company operates within India and does not have operations in economic environments with different risks and returns. Accordingly, geographical segment information has not been disclosed.

C] Notes

1. The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.
2. Non current operating assets consist of property, plant and equipment, capital work-in-progress, intangible assets.

Note 34: 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 | Loan given | Loan repaid | Closing balance |
|------------------------------|---------------------|-----------|-----------------|------------|-------------|-----------------|
| | | | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| Red Rotopack Private Limited | | | | | | |
| Year ended 31 March 2022 | 8% | On demand | - | - | - | - |
| Year ended 31 March 2021 | 8% | On demand | 100.00 | - | 100.00 | - |

Purpose of loan - The loan was given to Red Rotopack Private Limited for meeting their business requirements.

Note 35: Government grant

The Company is eligible for government grant under 'Pradhan Mantri Rojgar Protsahan Yojana' ('PMRPY') and "Atmanirbhar Bharat Rozgar Yojana " (ABRY) to the extent of 8.33% of the employer's contribution to the Employee's Pension Scheme and 3.67% of the employer's contribution to the Provident Fund, on satisfaction of the terms attached to the grant. The said grant income is recognised by the Company by deducting the grant amount from the related expense. Accordingly, employee benefits expense (refer Note 25) for the year ended 31 March 2022 is lower by INR 8.95 lakhs (31 March 2021: INR 7.55 lakhs).



1. Security deposits, loans and other financial assets are evaluated by the Company based on parameteres such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability as at the balance sheet date.



Note 37: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets :

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Financial assets at amortised cost | | |
| The carrying amount of financial assets measured at amortised cost are a reasonable approximation of their fair values. | | |
| Fair value of Other non-current financial assets measured at amortised cost (Level 2) | 16.39 | 10.81 |

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).



Note 38: Financial risk management objectives and policies

The Company's principal financial liabilities comprise 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 trade and other receivables and cash and bank balances that derive 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, foreign currency risk and other price risk, such as equity price risk. The Company is not significantly exposed to other currency, interest rate and price risk whereas the exposure to credit and liquidity risk is given below.

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. cash and cash equivalents and other financial assets.

Trade receivables

| As at 31 March 2022 | As at 31 March 2021 |
|------------------------|------------------------|
| INR lakhs | INR lakhs |
| 109.78 | 135.35 |
| 109.78 | 135.35 |

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's 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 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 | |
| INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| As at 31 March 2022 | | | | | | |
| Undisputed Trade Receivables – considered good | - | 107.89 | 4.50 | - | - | 112.39 |
| Undisputed Trade receivable – credit impaired | - | - | - | 13.44 | - | 13.44 |
| Disputed Trade Receivables – considered good | - | - | - | - | - | - |
| Disputed Trade receivable – credit impaired | - | - | - | 3.97 | - | 3.97 |
| | - | 107.89 | 4.50 | 17.41 | - | 129.80 |
| Expected loss rate | 0.00% | 2.00% | 77.50% | 100.00% | 100.00% | 100.00% |
| Loss allowance provision | - | 2.16 | 3.49 | 14.37 | - | 20.02 |
| As at 31 March 2021 | | | | | | |
| Undisputed Trade Receivables – considered good | - | 132.36 | 1.64 | 7.30 | - | 141.30 |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables – considered good | - | - | - | - | - | - |
| Disputed Trade receivable – credit impaired | - | - | - | - | - | - |
| | - | 132.36 | 1.64 | 7.30 | - | 141.30 |
| Expected loss rate | 0.00% | 0.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Loss allowance provision | - | - | 1.64 | 4.31 | - | 5.95 |

Reconciliation of loss allowance provision for trade receivables

Balance as at beginning of the year
Add/ (less): Provision for expected credit losses
Amounts recovered during the year
Balance at end of the year

| As at 31 March 2022 | As at 31 March 2021 |
|------------------------|------------------------|
| INR lakhs | INR lakhs |
| 5.96 | 17.98 |
| 14.06 | - |
| - | (12.02) |
| 20.02 | 5.96 |



Note 38: Financial risk management objectives and policies (cont'd.)

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 | Less than 1 Year | 1 - 5 Years | More than 5 years | Total |
|----------------------------------|----------------|------------------|-------------|-------------------|---------------|
| | INR lakhs | INR lakhs | INR lakhs | INR lakhs | INR lakhs |
| As at 31 March 2022 | | | | | |
| Current liabilities: | | | | | |
| (i) Trade payables | 632.91 | 632.91 | - | - | 632.91 |
| (ii) Other financial liabilities | 81.35 | 81.35 | - | - | 81.35 |
| | 714.26 | 714.26 | - | - | 714.26 |
| As at 31 March 2021 | | | | | |
| Current liabilities: | | | | | |
| (i) Trade payables | 573.42 | 573.42 | - | - | 573.42 |
| (ii) Other financial liabilities | 60.58 | 60.58 | - | - | 60.58 |
| | 634.00 | 634.00 | - | - | 634.00 |

Note 39: 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 2022 | As at 31 March 2021 |
|-----------------------------|------------------------|------------------------|
| | INR lakhs | INR lakhs |
| Debt (A) | - | - |
| Equity (B) | 3,872.36 | 3,714.68 |
| Debt / Equity ratio (A / B) | - | - |



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Note 40: Ratio Analysis and its elements

| | Numerator | Denominator | As at 31 March 2022 | As at 31 March 2021 | % change |
|---------------------------------|---|---|---------------------------|------------------------|----------|
| Current ratio | Current Assets | Current Liabilities | 2.26 | 2.07 | 9.30% |
| Debt- Equity Ratio * | Total Debt | Shareholder's Equity | - | - | 0.00% |
| Debt Service Coverage ratio * | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | - | - | 0.00% |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.04 | 0.03 | 14.82% |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 14.76 | 17.76 | -16.86% |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 149.98 | 141.03 | 6.35% |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - | Average Trade Payables | 28.76 | 30.43 | -5.50% |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 15.65 | 20.04 | -21.91% |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | 0.01 | 0.01 | 10.58% |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.05 | 0.05 | 15.70% |
| Return on Investment | Interest (Finance Income) | Investment | 0.04 | 0.05 | -19.24% |

* Debt - Equity Ratio & Debt Service Coverage Ratio are not applicable as company is debt free.

Note 41: Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (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 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
- (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 have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Note 42 : *The Board of directors in their meeting held on 29 September 2021 had approved the scheme of amalgamation ("scheme") pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, providing for the amalgamation of its Holding Prataap Snacks Limited and subsidiary Red Rotopack Private Limited with the Company. The appointed date as per the scheme is 1 April 2021. Further, the Company has filed the necessary application with the exchanges and SEBI for the requisite approval and approval is awaited. The effect of the scheme would be recognised on receipt of statutory approvals.

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: 22091765AJHNQJ3471

**For and on behalf of the Board of Directors of
Avadh Snacks Private Limited**


Rajeshbhai Mansukhbhai Savani
Director
DIN - 07357631


Neel Rasikbhai Jagani
Director
DIN - 07357621



Place: Indore
Date: 20 May 2022

Place: Rajkot
Date: 20 May 2022